

THE INDEPENDENT

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WEATHER: Dry and bright

(IR45p) 40p

FOR... BUT NOT FOR THEM:
POLITICIANS ON HOLIDAY PAGE 6

IN THE TABLOID FASHION: DO THE ORIENTAL

COMMENT SEX AND THE SINGLE GIRL
SUZANNE MOORE



On one river bank, MPs snarl farewell; on the other, a gentler beast is circling ...

Early visitors get a bite-sized preview of the new London Aquarium at County Hall, which opens on March 28, while on the opposite side of the Thames, sharp-toothed predators of another kind were savaging the Prime Minister in the Commons
Photograph: John Voos

The poisonous goodbye

Anthony Bovens and Christian Wolmar

The last Prime Minister's question time of this Parliament ended in deep and angry bitterness yesterday as John Major, Tony Blair and Paddy Ashdown traded poisonous personal insults over the cash-for-questions inquiry.

With the Prime Minister blocking any further investigation into the main sleaze allegations against Tory MPs until after the election, the Labour leader accused him of leaving a stain on Parliament.

Mr Major replied that his opponents were engaged in a political stunt to divert attention from Wednesday's unemployment figures which fell to a six-year low.

But he then concluded the exchanges with Mr Blair by running through a breath-taking list of Labour double-standards that delighted the Conservative benches, and enraged the Opposition.

Earlier, Michael Heseltine set the tone for the day, telling BBC Radio 4's *Today* programme:

Tories could still win, voters believe

Most voters think that the Conservatives can still win the election, according to today's *Independent/Harris* opinion poll, writes John Rentoul.

Despite a buoyant 27-point lead for Labour, our poll finds that two-thirds of voters - 69 per cent - say the Tories can still win.

While only 17 per cent think the election is "certainly not over yet", half of the electorate - 52 per cent - say "while Labour are favourites

there is still a slight chance" that the Tories can win.

A further 20 per cent think that Tony Blair has the election in the bag and that the Tories have "no chance".

Labour's lead in our poll has increased by two percentage points since last week and by six points since the launch of our election countdown series two weeks ago.

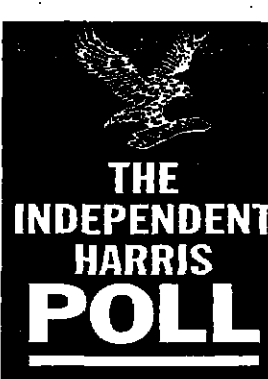
Labour now has an average 24-point lead in the six

main polls, compared with 18 points before winning the Wirral South by-election three weeks ago.

The *Independent/Harris* Poll

Labour.....56%
Con.....29%
Lib Dem.....10%
Others.....5%

■ Harris Research interviewed 1,016 adults face-to-face in their homes between 14 and 17 March



and even Jan Duncan Smith, a loyalist Conservative member of the committee, said only that it was "unlikely" they would have enough time.

The Labour leader said Mr Major had made an unequivocal promise last October, to do all he could to have the investigation findings published. With Labour MPs bawling, "Sleaze, sleaze" at the Tory benches, Mr Blair said: "Has this Parliament not ended as it began, by a government breaking its word?"

"If you fail to have this report published... it will leave a stain on the character of your Government that will only be erased by a new government with a fresh mandate that will restore confidence in our public life for good." Mr Major shouted back: "The stain, if stain there will be, is on a Labour frontbench that have smeared and smeared and smeared again. You have traded in double standards from the moment you took up office."

He then added a clearly-rehearsed litany of counter-accusations: "This is the Labour leader who sells policy to the trade unions for cash, who

refuses to comply with the code of practice on party funding, who calls for party openness but won't publish the secret funds of your own office, who attacks share options but takes money from millionaires for your own party, and attacks businessmen and asks them to fund things for you, who flew Concorde and failed to declare it, who has a Deputy Leader who spends a weekend at a five-star hotel and doesn't declare it, and who flies to the other side of the world to do newspaper deals and never admits to them. If there's any

double standards they sit there, on the Opposition benches."

Joining the fray, Mr Ashdown asked the Prime Minister: "Are you now to be the only person who will use a technicality to stand in the way of truth?"

Mr Major replied coldly: "You end as pious and pompous as you have been throughout this Parliament."

Earlier, the Standards and Privileges Committee issued an interim report, which had been the source of great expectation - but proved to be a damp squib.

INSIDE
Election countdown, pages 6, 7, 8
Leading article, letters, page 17
Donald Macintyre, page 19

French freshen up le Big Mac

John Lichfield Paris

In the pitiless Franco-American war which rages (according to some) for cultural domination of the globe, one side may be about to score an important victory. But which side?

McDonald's, synonymous with American culture, in six continents, will today launch a new burger - for the French market, and the French palate, only: Betraying the American heritage of ketchup and mayonnaise-impregnated sweetness, the new burger - the McDeLuxe - will be based on the principles of French cuisine.

It will have a steak haché (hamburger) at the centre, but it will also have a "delicate" old mustard and pepper sauce, a slice of cheddar cheese, fresh onion and a whole lettuce leaf.

The aim is to revitalise slowing sales in France by appealing to French adult preferences for fresh food with complicated tastes. Although McDonald's opened 100 new restaurants in France last year, bringing its total to more than 500, the sales figures of individual outlets

have fallen. The McDeLuxe will sell for just over £2, only a little more than a Big Mac. The title is already used by McDonald's in other countries, but the French recipe is exclusive to France.

Its launch today may precipitate a Franco-Belgian-American burger taste war. Quick, the Belgian fast-food chain which is second in the French market to McDonald's, will respond on Monday with a new "hamburger on toast".

Mark Watkins, an analyst of the French hotel and restaurant market, says McDonald's has been affected by the general slow-down in the French economy. Beyond that, he told *Le Monde*, there is a world-wide "phenomenon of boredom" with fast food, which can only be partly answered by juggling with new recipes. "They are also going to have to do something about the atmosphere. Children go mostly for the ambience."

In the US, McDonald's has acted on slowing sales by slashing prices. Its French operation seems, however, to have absorbed French cultural influences other than culinary ones.

QUICKLY

Gulf troops claim

New evidence has emerged that British troops in the Gulf were exposed against their will to vaccinations which were unlicensed and untested. The claims will compound the scandal over the dangerous use of organophosphate pesticides in the Gulf. Page 4

Cloning ban call

Cloning of human beings should be clearly outlawed by the next Parliament, according to an all-party Select Committee report rushed out ahead of the election campaign. Page 5

Palestine riot

Palestinian demonstrators hurled rocks at Israeli troops in Bethlehem and Jewish settlers moved into a Palestinian district in East Jerusalem yesterday, further damaging prospects for a peace agreement to end the Arab-Israeli conflict. Page 11

Moscow hotline

Rivalry with France led Britain to press for a special hotline to Moscow in 1966, previously classified files show. Page 13

Finns cater for a historic summit

Phil Reeves Helsinki

Bill Clinton's handlers could scarcely have handed a greater gift to the stuffing wags of late-night American television comedy. The President, a notorious foodie, touched down in Helsinki only to be offloaded into an airline catering truck. He came to make history, but arrived like a consignment of frozen chicken wings.

"This must be the most bizarre arrival of any foreign politician on Finnish soil that we have ever witnessed," said Radio Finland's commentator. "He has now left the catering wagon... and is being slowly wheeled down the red carpet and is shaking hands with members of the Finnish government." You would have thought someone would at least have pinned a US flag across the tell-tale FinnAir catering logo.

The band was cancelled, because Bill might have had to stand, a feat beyond him, though he had been working out in mid-air on parallel bars. Air Force One has its own gym.



Takeaway: Clinton gets a lift from a catering truck

super-slick press operation in Helsinki. Usually caggy top officials have been drafted in to talk about immigration, relations with the West and crime.

Cleverly, the Russians have set up camp in the same building as the world's television companies; the President's spokesman, Sergei Yastrzhembsky, only has to walk out of his door and he is surrounded by lenses. Outclassed, US officials - for years the masters of spin - have been left scrambling to catch up.

Nor is it only a two-way contest. The Finns have seized on the summit to promote the 80th anniversary of their independence from Russia. Non-aligned though they are, this is not entirely friendly turf for Mr Yeltsin.

Remarkably, Finland has the only Latin news radio service on the planet. As Mr Yeltsin and Mr Clinton sit down today, the following words will drift across the airwaves: "Præsidentes Bill Clinton et Boris Ieltsin in Finnia convenient..."

Leaders talk, page 12

Follow the ball...



See inside for details

THE BROADSHEET

Business & City 20-24
Comment 17-19
Foreign News 11-15
Gazette 16

Home News

Leading Articles 17
Letters 17
Obituaries 16
Sport 25-28

THE TABLOID

Arts Reviews 19
Architecture 6-7
Classical 16-18
John Lytle 3

Listings

Radion & TV 23,24
Rock/Pop 9-12
Style 4,5
Weather 22



Westminster Abbey could charge visitors

Louise Jury

Westminster Abbey could introduce admission charges for the first time in its history as part of a bid to control the influx of visitors.

With the number of tourists to London soaring, churchmen fear that all sense of a hallowed place of worship is being lost. A steering committee has been set up to investigate how to accommodate the visitors

while restoring calm and dignity to the abbey.

Emma St John-Smith, a spokeswoman, said nothing had been decided yet, but charging was one option. "We are very conscious - and anyone who has been anywhere near Westminster Abbey at the height of the tourism season will be conscious - that we have a serious overcrowding problem. Future predictions point to unmanageable numbers," she said.

"Everybody feels that something has to be done to recover the calm and return the church to a semblance of peace and dignity."

The opening of the Eurostar train service has compounded the problem. Tour operators now refer to the "Westminster waiting-room" as day-trippers meet at the abbey before returning to the Continent.

Canon Anthony Harvey said: "The abbey is rather like Euston

station, or one great cocktail party. The noise is deafening. At certain times, it has become dangerous."

Charging may be one way of controlling numbers. While the abbey has asked, for many years, for a fee for access to the royal chapels, access to the nave and cloisters is free.

However, the committee is also investigating whether it can employ better crowd-control techniques to manage the

flow of visitors around the abbey. Another suggestion is the use of headphones or other technology to eliminate the need for noisy guides.

The abbey authorities hope to have made a decision on how to proceed by June or July, so they will be able to let travel firms know of their plans in time for next season. The aim is to have the new arrangements in place by Easter 1998.

Around 2.5 million people

are thought to have visited the abbey last year. Numbers have grown considerably in recent years and up to another 10 million visitors are expected in London for the millennium.

Ms St John-Smith said that any decision on charging would not be based on financial considerations. But previous decisions by cathedrals to charge have been primarily motivated by the financial difficulties of running large and old buildings. In

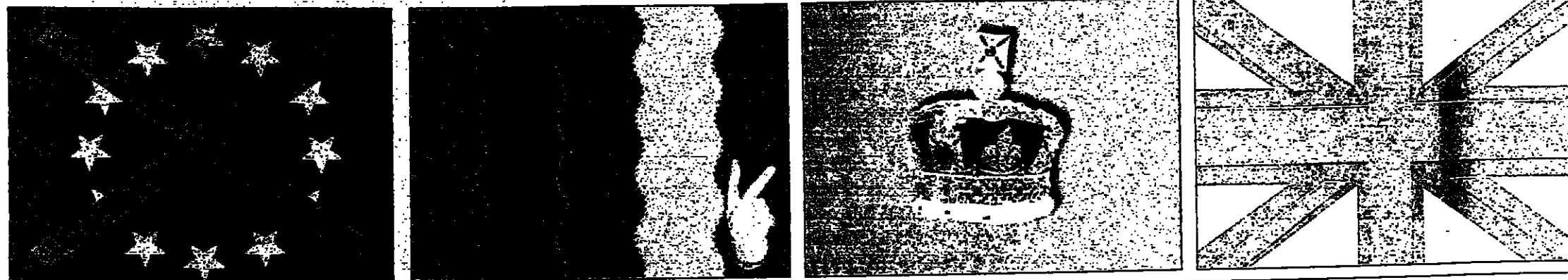
many cases, the decision has provoked controversy.

St Paul's Cathedral came under fire in 1991 for introducing a £2.50 fee. The Very Rev Eric Evans, the dean, said they felt it was right to charge for sight-seeing, although no one who wanted to worship had to pay. Around three-quarters of its visitors are from overseas.

Two years ago, Winchester Cathedral introduced a "voluntary donation" of £2 per

adult, £1.50 for OAPs and students and 50p per child which helped stave off financial disaster. The average donation increased from 43p per visitor to 85p.

Ely Cathedral in East Anglia found the number of its visitors increased when it introduced a fee. As a possible lesson to Westminster, the cathedral authorities reported that people spent more time looking around than when entry was free.



Still a proud symbol of Union - or just a cheap patriot game?

Jojo Moyes

When two Liberal Democrat MPs suggested that the Union flag might benefit from updating, they were not prepared for the level of opprobrium that came raining down upon them.

The Conservatives said the Liberal Democrats would "shred Britain into a series of regions", while Michael Forsyth, the Scottish Secretary, said: "No one who holds our country dear can now trust either the Liberal Democrats or their Labour partners."

Yet behind the predictable, political rhetoric, there was a valid question - what does the Union flag symbolise today? Does it represent a united nation, rapid nationalism, or is it simply a logo to tell cheap coffee cups and baseball caps to tourists?

Iain McLean, a professor of politics at Oxford University, said it had been hijacked for party-political purposes.

"The Conservatives put it into their logo a few years ago. And it's also used as a slogan by far-right groups, so certainly it's lost its status as unifying emblem," he said.

Professor McLean said its symbolic value to many people was, instead, one of xenophobia. "As a behavioural observation, it's saying you're a little Englander. It's divisive rather than unifying."

Perhaps in response to this, some parts of Britain have instead been promoting their own brand of regionalism, with flags for areas such as Kernow in Cornwall, or Northumbria.

As a Scot, Professor McLean said the flag had never had a unifying significance in his life. "In Scotland, long before political nationalism, there was cultural nationalism. At rugby internationals in the 1950s, it was apparent that anyone waving a Union flag would be English. I think the only time I've ever waved it was as a child, when we saw the Queen."

Tainted with its associations to brutalism, racism and to football hooliganism, the flag has also become, over the last 30 years, a symbol of tackiness, its colours shining out from a million Carnaby Street souvenirs, planted on everything from plastic guardsmen to boxer shorts.

This is not a fate which has been suffered by the American flag, which is protected by constitution-

al rules. These rules state, among others: "The flag should never be used for advertising purposes... should not be embroidered on such articles as cushions or handkerchiefs or the like, printed or otherwise impressed on... anything designed for temporary use... or have any lettering or designs placed upon it."

According to Byron Shaffer, the professor of US Government at Nuffield College, the American flag is protected because it is still seen as a unifying symbol.

"In some senses it represents us all. So any disrespect is therefore to us all," he said. "It's our symbolic

counterpart in many ways to the Queen. We pledge allegiance to the flag where you would sing 'God Save The Queen'."

Nowhere has Britain's ambivalent relationship with its flag become more apparent than in the business community, where many companies are dropping it as a part of their corporate identity.

British Airways last week admitted that much of its traditional "British" image was seen as negative, "aloof and stuffy". Its planned redesign will include changing the Union flag emblem on the tail fins of its 250 jets.

But there is some hope for the Union flag. Just as the flag appeared likely to become an outdated symbol of a vanished empire, Britain's cultural community is reclaiming it as a statement of pride and regeneration.

A Spice Girl recently wrapped herself in it, Patsy Kensit and Liam Gallagher were sufficiently proud of it to pose in bed under it on the cover of *Vanity Fair* magazine.

And designers, such as Bella Freud, Clements Ribeiro and London duo Vexed Generation, have featured it in their recent collections. "The reason we used it was because it's a strong pop-cultural image. We wanted to reclaim it in as much as it's got negative connotations, yet it's still an image we have to support," said Adam Thorpe, partner in Vexed Generation. "We wanted to give it some positive connotations."

Besides, according to Martin Casson, art director at advertising agency M&C Saatchi, who considered some of *The Independent's* suggestions, there is no better alternative.

He did, however, suggest that an anti-European flag might properly represent British history.

"It's quite a strong image. This country has been independent for centuries, resisted numerous attempts to take it over, so that would reflect the views of a lot of people."

His loyalty was reiterated by Tim Johnson, the creative director of Cowan Kemsley Taylor.

"Britain is losing everything. The monarchy's on its way out, it's all becoming European. But when you see that flag you think of England as green and pleasant with beautiful architecture and scenery. I think we should leave it as it is. All we've got is our symbols."



Woven into history: Union flags (above) hanging at the Cenotaph in Whitehall, London, yesterday, and (top) four suggestions for an alternative, up-to-date, alternative Photograph: Brian Harris

People from Arcadia end long march

Louise Jury

Villagers from a rural community once described as Arcadia arrived at the House of Lords yesterday after walking from Wales in a last-ditch attempt to save their homes.

Three people from Holt's Field, near Swansea, marched more than 300 miles to lobby Parliament where five senior law lords were sitting to hear why their homes should be saved from the bulldozer.

Members of the community have fought for eight years to save their unusual properties - 27 wooden chalets on 14 acres of land in a conservation area.

The properties were praised by The Prince of Wales's architectural magazine, *Perspectives*, for being eco-friendly.

The site is one of the few developments of its type surviving from between the wars, dating from 1932.

The chalets were built as holiday villas and became temporary homes during the Second World War, then permanent ones. There is no proper drainage system or mains water supply and some of the residents still use wood-burning stoves and have outside lavatories.

Until six years ago, the residents - about 80 adults and children - paid a licence fee to the then owner to live there. But then Tim Jones, a property developer, bought the land for a reported £175,000 and announced development plans to build luxury flats instead.

Mr Jones, a solicitor who runs the Swansea property company Elicestone, has refused the residents' offer to buy the site for £500,000 and despite being refused permission to redevelop the site, won Court of Appeal rulings in 1995 for re-possession of a number of the properties.

Before yesterday's hearing, he said: "It was clear to the residents when the lease was secured that they could live there in the short term only."

But Sadie Bowen, 96, who has been there for 37 years, said: "This is my home and I will defend it to the bitter end."

Isabel Griffin, a campaign coordinator for the housing charity Shelter in Swansea, said there used to be many similar communities in Britain but most had died out.

"It deserves to be preserved. It's a tiny bit of magic tucked away and is just really lovely," she said.

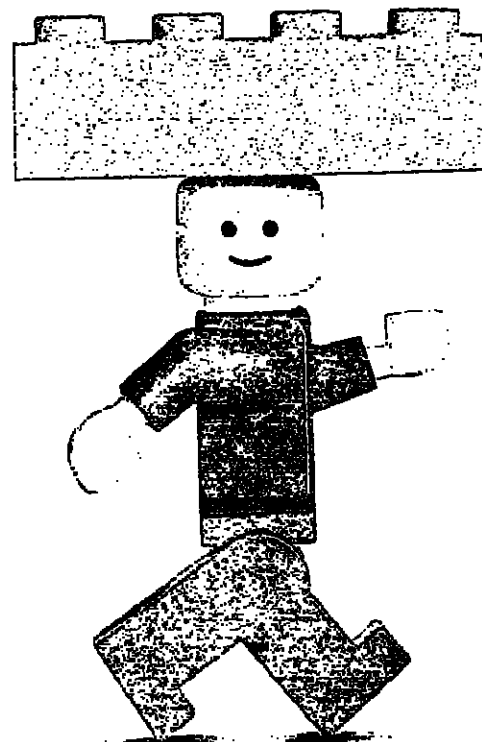
The site has woodland on two sides and fields on the others. Welsh Office officials once described it as being like Arcadia, the legendary Greek idyll.

Yesterday's hearing at the House of Lords was a last court of appeal. Judgment is expected in six to eight weeks.

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LEGOLAND WINDSOR



news

Rolling stones could solve riddle

Charles Arthur
Science Editor

How did they do that? As far as building the pyramids goes, the standard answer has for years been: by putting the 2.5-ton stones onto sledges and dragging them.

But now a Cambridge civil

engineer has come up with a (literally) revolutionary explanation: that the individual stones were encased in two circular, hoop-like wooden runners, one at each end, and then rolled from the quarries and up ramps to the construction point.

The same "rolling stones" method might help transport

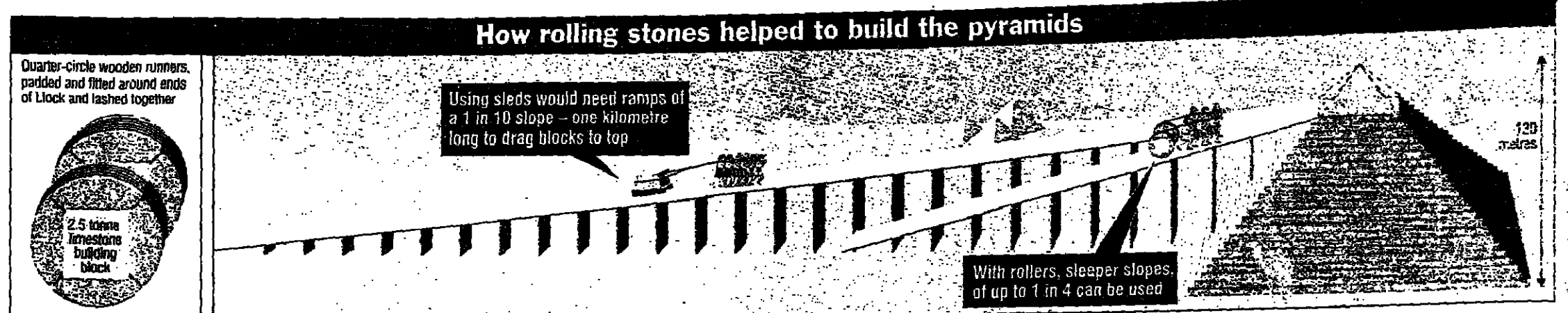
those used to build Stonehenge, suggests Dr Dick Parry, formerly at the University's engineering department. To back up his pyramid hypothesis, Dr Parry has reconstructed full-scale models and shown that with the rollers, three men can pull a stone which would otherwise need the efforts of 20 men.

The stones can also be rolled up ramps as steep as 1 in 4, whereas friction makes it impossible to pull a sledge up more than 1 in 10. Using sledges to build the pyramids, which are more than 130m high, would have required solid ramps a kilometre long - impossible given the site. With the rolling

stones, the ramps could be much shorter and more easily moved. That would be important in building a structure of 2.5 million limestone blocks weighing an average of 2.5 tons. "The logistics mean that over 20 years you would be quarrying and placing one stone every two minutes of the daylight hours," said Dr Parry, who gave a talk last night in Cambridge as part of National Science Week. "You need not labour-intensive brute force, but a high-tech solution."

His suggestion also helps to answer the mystery of cradle-like objects discovered by archaeologists in the 1880s. These were thought to have been used to "rock" the stones upwards, Dr Parry laughs. "That doesn't explain how you get them from the quarry to the site," he said. Instead, about three years ago he began wondering whether the cradles, each about a quarter of a circle, would fit around the blocks. Then he saw that he could have an explanation for the building technique.

A number of reference books say that sledges were used after the pyramids to move large objects such as statues. But Dr Parry points out that those were one-off operations, where speed was immaterial. Despite their permanence, speed was essential for the pyramids.



MoD rebuked over sick Gulf veterans

Ian Burrell

The Ministry of Defence was warned yesterday that its treatment of sick Gulf veterans may have seriously undermined attempts to persuade future generations to join the armed services.

In a highly critical report, the Commons Defence Committee was scathing of the MoD's cover-up of the use of dangerous organophosphate pesticides in the war. The cross-party committee of MPs castigated Nicholas Soames, the Armed Forces Minister, and Earl Howe, the Junior Defence Minister, for their failure to take a more "pro-active and inquisitive" role in the affair.

The report also raised the prospect of ex-gratia compensation payments for sick veterans who can prove they were exposed to OP pesticides in the war.

More than 1,100 Gulf veterans are claiming that organophosphate poisoning

might be one of the causes behind Gulf War Syndrome. The War Pensions Agency was censured by the committee for its "unacceptable" delays in dealing with claims by veterans.

The MPs blamed the "instinctive defensiveness and insularity" of the MoD for the pesticides cover-up but called for an amnesty for officials who took part.

The RAF's Special Investigation Bureau is questioning service personnel and civil servants on how Parliament was misled and the MPs are anxious that the inquiry does not lead to a further cover-up. "The overriding priority in this case should be the early disclosure of information, which could assist ill Gulf veterans," said the report.

"The abandonment of disciplinary proceedings for anything less than serious misconduct might be justified if it would facilitate such disclosure," it added.

The Gulf Veterans and Families Association criticised the

amnesty saying that all those involved in the cover up should be disciplined.

The key department being scrutinised by the MoD is that of the Surgeon-General but the MPs said they could not be sure that ministers were not to blame. The committee's deputy chairman, Labour MP Bruce George, said: "The blaming of lower ranking civil servants and military personnel for not providing the right advice to ministers is an attempt to divert attention away from the inaction and possibly culpable behaviour of those higher in the MoD hierarchy."

The report concludes that the cover-up may have jeopardised recruitment to the armed services. "Serving personnel will be following events closely and making a judgment as to how well the department looks after its employees," it said.

"Even more important in the long-term is the potential damage to the ideal of serving one's country."

Troops used untested vaccine

New evidence has emerged that British troops in the Gulf were exposed, against their will, to vaccinations which were unlicensed and untested, writes Ian Burrell.

The American manufacturers of a plague vaccine have denied that the batch cited on the medical records of British soldiers was ever given to the UK authorities. It said the vaccine was to be given on a named patient basis only. Furthermore, nerve agent protection (pyridostigmine bromide) tablets which troops took every day during the war were not licensed until August 1993, more than two years after the conflict.

The new evidence, which has been passed to Earl Howe, the Defence Minister, will com-

pound the scandal over the use of organophosphate pesticides in the Gulf.

Sick veterans say that they have been assured by the Ministry of Defence that the inoculations they were given were licensed and obtained from regular sources. Yet Miles Inc, the American manufacturer of the Cutter plague vaccine identified on the medical cards of British troops, denied that the named batch, 10H03A, was sent to the UK authorities. The company said its sole customer for the vaccine was the US government, which did not use plague vaccine in the Gulf.

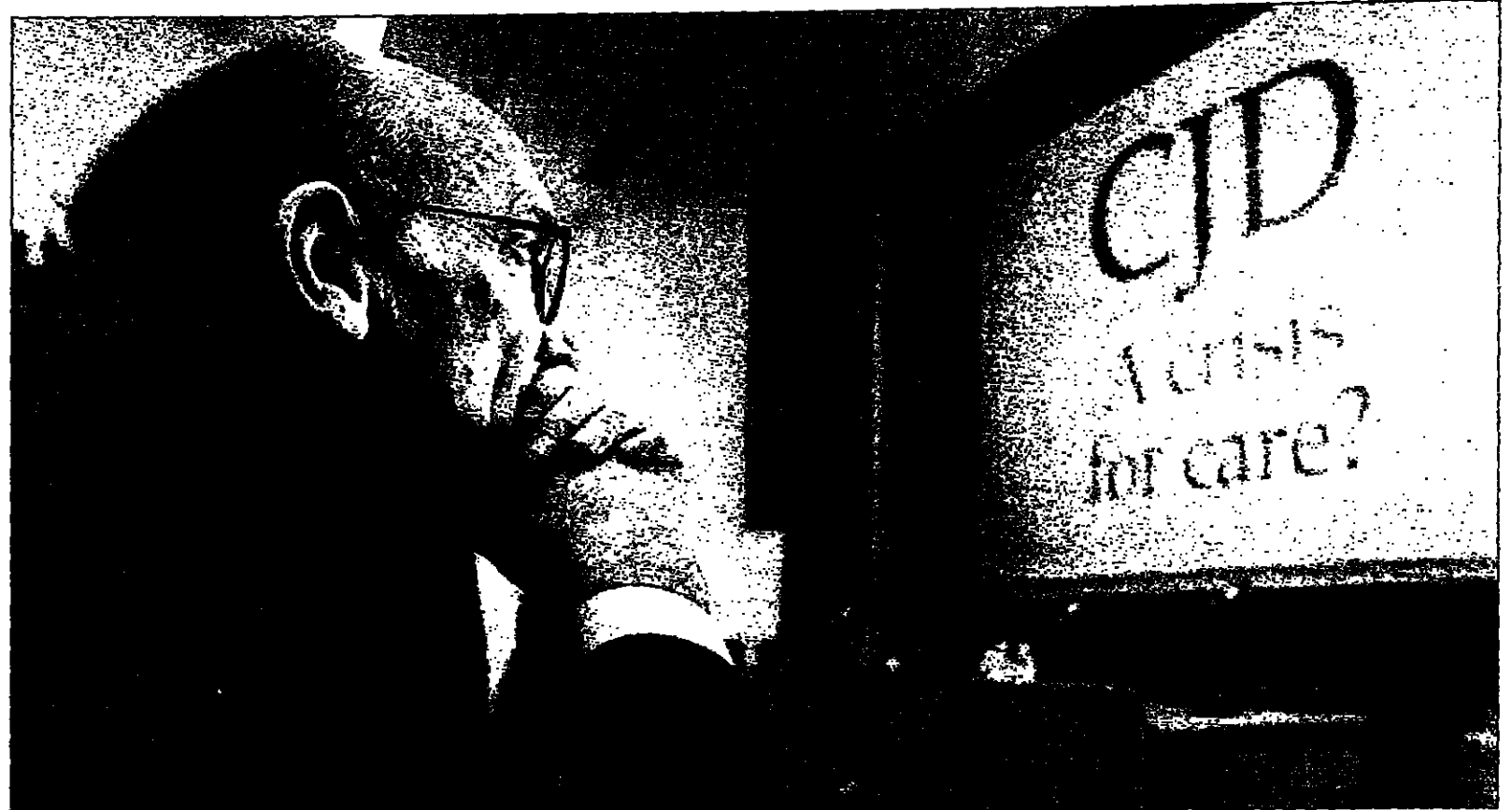
Plague vaccine was licensed in the US and Canada but not in the

UK, where it was available on a named-patient basis only.

The MoD maintains that troops were given vaccinations on the basis of voluntary informed consent, but veterans said they were given little choice in the matter.

Larry Cammock, a medic with the Royal Army Medical Corps, said in a sworn statement: "I was told we had to have inoculations and that they had published the order on a notice board saying it was a court martial offence to refuse."

The MoD said: "The Government took all available steps to offer protection to its personnel [and] drew on the best professional advice."



Listening ear: Professor John Pattison, head of the Government's advisory committee on BSE and CJD, at the CJD conference Photograph: Steve Hill

CJD families seek inquiry on link with BSE

Claire Garner

The families of the people who have died from the human form of mad cow disease yesterday called for a full public inquiry into the link between "new variant" Creutzfeldt-Jakob Disease and BSE.

In a question and answer session at the end of an emotional one-day conference at the

University of Warwick, organised by the CJD Support Network, families and friends of victims were given a chance to grill the professionals.

"Do you think it's right for a government to monitor itself on this problem or do you think there should be a public inquiry?" asked one woman. Silence. "Is there someone up there who can answer our ques-

tion," she persisted. Eventually Professor John Collinge, honorary consultant in neurology at St Mary's Hospital and the only speaker who dared sit in the firing line, mustered a reply: "I think there is a growing case for having an independent food agency, certainly," he said.

The day was designed as an opportunity for carers of CJD victims to hear about the latest

research - and about 200 people travelled across the country to do so. Among the speakers was Gerard Callaghan who reduced the auditorium to tears with his account of caring for his brother Maurice, when he was dying v-CJD. He spoke of how his parents had sat at Maurice's bedside "longing to change places in the bed, as they felt it should be, and not watching

helplessly as their child slipped cruelly from their care."

The inevitable question "should we eat beef?" arose - most people had chosen to avoid the beef lasagne at lunchtime. Professor Collinge replied that we could be "fairly confident" in eating beef, adding hastily: "That's not saying that it can't occur in a one-in-a-million chance."

Minister gives go-ahead to widen M25

Christian Wolmar

Westminster Correspondent

A plan to widen part of the M25 to 10 and 12 lanes has been given the go-ahead by John Watts, the Roads Minister, after a Department of Transport official let slip that the scheme was essential to service the proposed fifth terminal at Heathrow Airport.

Mr Watts' announcement will mean that the M25 between junction 12 (M3) and junction

15 (M4) will become Britain's widest road. The scheme does not require planning permission because it is being carried out within the boundaries of the existing road. The Labour party has said it will review the plans should it win the election.

In April 1995, Brian Mawhinney, the then Secretary of State for Transport, announced that he was shelving a scheme to widen this part of the M25 to 14 lanes but announced that the

department was examining the 10 and 12 lane scheme as a possible substitute.

Chris Fisher, chairman of the local campaign against the proposal, said: "It is outrageous that ministers continue to reject pleas for a public inquiry into the scheme for the widest motorway in Europe and to ignore 4,000 objections lodged against it." Mr Fisher claimed that the motorway would be full by the year 2010.

Mr Watts' announcement was made just after news emerged that for the first time, the Department of Transport had admitted that the plan to build Terminal Five, currently in the middle of Britain's longest planning inquiry, was dependent on widening the M25.

Thomas Dockerty, a Highways Agency official giving evidence to the Terminal Five inquiry last month, said that the construction of the new termi-

nal was dependent on widening the M25, which will be 12 lanes at the new entrance to the airport. Mr Dockerty said that consultants had advised that the DoT would need "to widen at least from junctions 13 to 15 in order to accommodate the spur road and the traffic implications."

However, Mr Watts, in a Parliamentary answer last week, said that no such evidence had been given.



Forces accused of condoning racist abuse

Christopher Bellamy
Defence Correspondent

The Armed Forces still have a "pervasive, long running and deeply entrenched problem of racism", according to an independent survey published yesterday.

A report by the Office of Public Management, an independent think-tank, was particularly critical of the Navy which, it said, was "not justified in describing itself as an equal opportunities employer".

The study found that terms of racial abuse were still widespread as part of the procedure

for knocking recruits into shape during initial training, and that many senior officers condoned this practice and the use of racist language.

The report coincided with a Channel 4 *Dispatches* programme, "Racism in the Army", last night, which highlighted four cases of racial harassment. Whereas such cases were the worst examples, the OPM report identified far wider incidence of racial discrimination.

The report came as a bombshell to many senior officers in the services who insist that no problem exists. In June last year, the Armed Forces

launched an initiative to monitor its workforce, recruit more members of ethnic minorities and train commanders at every level in equal opportunities. However, the report said, "while we commend these efforts, we strongly suspect full implementation will not be achieved until all dimensions of 'the problem' are recognised."

The report found that only about 1 per cent of the personnel in the Armed Forces are of ethnic minority origin, compared with 6 per cent in the workforce as a whole. Among officers, the proportion is even smaller, and there are no minority admirals or generals.

The highest ranking non-white officers are an army brigadier and an air commodore.

Yesterday, senior MoD sources said they broadly accepted the criticisms but that it was difficult to increase the number of non-white people in senior positions given the small number in the organisation as a whole. A senior RAF officer said the long-term aim was to bring the proportion closer to 6 per cent, though, he said, a quota would be illegal.

The Navy came out worst. The researchers found the widely expressed view that black

people "did not like water", "cannot fight", "are prevented from leaving home by their parents" and "want special diets and you cannot have that in a fighting force".

Other comments included "where would you pray to Mecca on a submarine?"

The team was told that that terms such as "Midnight" or "Snowy" were seen as terms of affection, rather than abuse.

"Regrettably", the report continued, "there were some senior officers (that is, captain RN and above), who did not find the terms 'coon' or 'nigger' unacceptable, with perhaps the pro-

viso - 'I wouldn't say that in front of a coloured person'."

Racially offensive language, behaviour and attitudes remained "a significant feature of life in the army" and the RAF. The report cited the RAF practice of "packaging", so that high-profile activities, such as guards of honour for VIPs, should feature no "blacks, pakis, spits or specs".

Dispatches investigated four more extreme cases of racism in the Army. Winston Clay suffered six years of racial abuse in the Royal Artillery. He was called "coon", "nigger" and "wog", and eventually went

absent without leave. He was then arrested and sent to a military prison, which he said he preferred, because there were no racist taunts. He left the army last month.

Mark Parchment, a Royal Marine, told *Dispatches* that during his training, "a corporal came into our accommodation and presented me with a spear. He said this is going to be my personal weapon and I would have to maintain it and keep it through training. He also nicknamed me badingi and said that from now on I was to be known in the section and throughout the troop as that name."

The most bizarre case was Solomon Raza who was abused and beaten on a daily basis while in basic training because his father was a Pakistani. While serving in Bosnia he was also accused of siding with the Muslims there.

"Some of them said to me, 'We're going to do some Pakis, we're going to kill them all'. Then one of them turned round and said 'Why do we have to wait until then? There's a Paki, let's give him a kicking', which they did." They ruptured a kidney, which put him in hospital for 10 days. After returning to Britain he attempted suicide.

MPs urge law to ban human clones

Charles Arthur
Science Editor

Cloning of human beings should be outlawed by the next parliament, according to an all-party Select Committee report rushed out ahead of the general election. However, in a report published yesterday, the Science and Technology Select Committee warned against hindering cloning research in animals, which may benefit agriculture and human and animal medicine.

The members also castigated the Ministry of Agriculture, Fisheries and Food (Maff) for dropping its funding of the team of Scottish scientists who last month amazed the world by announcing they had created a lamb, Dolly, from cells taken from an adult lamb.

The Committee called for a parliamentary inquiry into the way Maff commissions and uses research, and scientific advice. It said Maff should bear the costs of any redundancies that follow at the Roslin Institute, near Edinburgh, where the work was carried out.

Human cloning appears to be banned under the 1991 legislation, which created the Human Fertilisation and Embryology Authority. But the HFEA said last night that a definitive legal opinion is not yet available, although it should be by the time Parliament reassembles.

The loophole arises because the 1991 Act governs the use of gametes, the sperm and egg, and embryos. But the cloning technique used by Roslin did not involve creating an embryo. Cells were placed in a chemical bath and their internal clock run backwards so they acted as if they were still at the embryonic stage. They were then implanted into a ewe.

The Select Committee rushed out its report after hearing evidence earlier this month from scientists at Roslin and experts from the HFEA.

The members did not agree to calls by the HFEA to leave open the possibility of using human cloning to solve genetic defects, suggesting that could be handled by the use of cloning techniques in animals. "If you needed to produce human tis-

sue say, for a skin graft, we haven't excluded that," said Dr Jeremy Bray, a committee member. "You could clone human cells in a transgenic animal. But we have said no to the cloning of complete humans."

The birth of Dolly was the first time anyone had produced a clone from an adult animal, and it raised the frightening possibility of cloning humans. The committee commented that "the science is astonishing and its implications profound" and that "in Roslin, we have a research team that has produced a result described as 'the most important development in United Kingdom science since the splitting of the atom'."

They concluded: "It is not satisfactory for issues as momentous as this to be left until they are decided through test cases. Anyone attempting cloning without the HFEA's approval should face criminal charges."

But they added that there are areas where the research at Roslin could produce benefits both for medicine and for agriculture. *The Cloning of Animals from Adult Cells*, HC 373-I



Pressing engagement: Young boys waiting outside the Dominion Theatre in the West End of London yesterday to audition for 'Disney's Beauty and the Beast'. The successful boy will play Chip, a boy who is transformed into a teacup. The Broadway hit musical will open at the theatre on Tuesday 13 May. Photograph: Nicola Kurtz

Knock in store for workers on 'sickie'

Barrie Clement
Labour Editor

The "knocker-up" who encouraged 19th-century mill-workers to leave their beds in the morning, by hammering on their bedroom windows with long poles, may be returning to British industry in a new guise.

An increasing number of companies are deputising senior staff to visit the homes of employees off sick, and woo beside the absentee afflicted only with a sniffle or who seems to be recuperating away from home.

The days when workers could throw the occasional "sickie" as a way of extending their holiday entitlement may be coming to an end.

Mark Hastings, of the Institute of Management, tells of a computer consultancy in London where the head man took to buying absentees a bunch of flowers and delivering them personally. "A couple of times they found nobody in. No one was sacked but sickness rates fell sharply," said Mr Hastings.

At the Nissan car company, near Sunderland, supervisors have been known to turn up on doorsteps, inquiring about the well-being of absent workers.

The Japanese car company insists it is not part of a new totalitarian policy. "Supervisors look after small groups of people so they will know them well. These guys get on well together. If they are visiting people who are off, it will be out of genuine concern."

It's not what Gerry Steinberg MP has been told, however. Mr Steinberg, member for the City of Durham, has accused the company of hassling employees to get them back to work.

"De-layering" and "downsizing" throughout industry have made management more conscious of who's in and who's not. It is calculated that the economy loses about £13bn a year through absenteeism.

Mr Hastings said the technique of using personal visitations by managers was "in its infancy" in Britain, but that companies were becoming increasingly concerned about the costs of absenteeism.

Flagship prison is dead in water, inspector says

Jason Bennett
Crime Correspondent

One of the country's supposedly flagship jails is "dead in the water" and needs "shaking by the scruff of the neck", the Chief Inspector of Prisons warns in a report published today.

Sir David Ramsbottom said he was "surprised and horrified" at conditions in Wormwood Scrubs, in London, which contains one of the country's three wings for life offenders and a large population of inmates awaiting trial.

Sir David was particularly critical of the facilities for about 300 people on remand who had some of the worst facilities and conditions, although they were not convicted.

The strongest criticism was reserved for the management and the "inexplicable absence"

of planning. The regime was described as "impoverished" and lacking in direction, with many inmates given little exercise or useful activities.

The prison houses more than 1,000 inmates, a mixture of people on remand, convicted criminals, immigration detainees and those given life sentences. There are about 200 murderers.

Much of the accommodation was criticised for being dirty. "What we found was reminiscent of the worst local prisons in the pre-Woolf era," the report said, referring to the reforms introduced on Lord Woolf's recommendation in 1989.

It added: "The out-of-date attitudes that we found have no place in the modern world."

There were about 250 foreign prisoners, many of whom did not speak English and were not

provided with any way of communicating with the authorities.

Sir David concluded: "Wormwood Scrubs is often referred to as the 'flagship' of the Prison Service. If we were to extend the nautical analogy it could be said that the ship is now dead in the water and been overtaken by other ships of the line."

The Prison Service said yesterday that the jail's new governor had started work on a strategic plan. Richard Tilt, director general of the Prison Service, said the jail could regain its former position. He added: "I share the Inspector's concern that, due to the difficulties of managing a fully operational prison undergoing an immense building programme in recent years, Wormwood Scrubs' regime has been eroded and its reputation damaged."



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election countdown

For most of my adult life the benches on the Tory side of the House have been much better populated than those on the other side. Sometimes it has seemed as though they simply bred more, reproducing themselves election after election with a creepy fecundity.

Many of them, individually, are pleasant, attentive and serious. But collectively they have become oily, smug, fractious, venal, ruthless, hectoring, selfish, bovine, inert, unthinking, self-satisfied, shameless, sinned and – in the widest sense – corrupt. They are no longer connected to government, but concreted into it. With any reforming impulse long dead, their best and brightest have been ignored, marginalised or sent to serve in Hong Kong. Gradually their world has

become one of influence and patronage, of dinners and limousines, of promises and phone calls, of hangers-on and back-slappers. Time and negligence have intertwined and entangled their personal interests with the interests of the nation. Year after year they have sat

together, stimulating each other's organs of prejudice, or stabbing each other in the back – half-party, half-dynasty: the Borgia Party. How their leader has tried to save them from themselves! And what has it cost him! It was Scrupulous John, who

had set up the Nolan Committee (as he had the Scott Inquiry) in a moment of crisis caused by a collapse of confidence in standards. It was Honest John who bought time by assuring the world that he would strain every sinew to expedite publication of the Parliamentary Standards Commission. Sir Gordon Downey's report into cash-for-questions, it was Hapless John who had once more failed to deliver, because what he had promised was either impossible, or (when push came to shove) politically damaging.

So, when a despatch box-carrying Tony Blair demanded yesterday that the PM pull his finger out and get the thing printed (hoping that he would do no such thing), Major's reply was bound to be inadequate – starting with obfuscation ("complex report ...

thousands of pages of evidence ... time to consider ... time to respond ...") and ending in an attack on the Opposition that was so brazen, that the very worst on his own benches looked cheered by it. The leader of the party of Neil Hamilton, Asil Nadir and John Latsis: the party that chose to shoot the messenger over cash-for-questions rather than execute its transgressors; the party of effortless transition from Cabinet room to boardroom – the Borgia Party leader attacked his opponents for their fondness for gold and lark's tongues.

If this was a depressing performance, how much more depressing to consider that – only minutes earlier, we had seen one hot-tip for the succession in full flow. Michael Howard had been "answering" questions as only he can.

"Brazen" does not describe the Home Secretary fairly, or do justice to the exceptional fluency – the flawlessness – of his delivery. He is adamant, consisting of a series of pure, impervious surfaces, always reflecting light away from his glittering facets, and never, ever absorbing it. Jack Straw was "the burglar's friend", the Leader of the Opposition had "sought to excuse certain types of shoplifting and pickpocketing", instead of "inculcating a sense of right and wrong into our children".

You may think this ludicrous, but Cesare nodded and Lucretia fingered her ring. With John out of the way and Michael installed, the Borgias can settle all their old scores, regroup, replenish their stock of hellebore and sharpen their stilettos, then start breeding again.

DAVID Aaronovitch

Time and negligence takes its inevitable toll

MPs take a break before campaign

Colin Brown
Chief Political Correspondent

The Prime Minister may be "hitting the ground running" with his election campaign, but some of his MPs are preparing to fight the elections on the beaches or the ski slopes until after the Easter break.

While John Major and Tony Blair are preparing to enter the second week of their election campaign, many voters will see no sign of their MPs in their constituencies.

At least one minister has told his constituency association he will take a short break in the Alps. "You can see too much of your constituents," he has told his friends. Other favourite destinations for MPs over Easter are city breaks on the Eurostar, train to Paris and – although it will not appeal to the Euro-sceptics – Brussels.

Others are preparing for a short holiday in Britain before getting down to the business of winning their seats. "I am going to my in-laws with my wife for a few days, and I will be reading lots of novels," said one ministerial aide.

The MPs fear the six-week campaign to polling day on 1 May – the longest this century – could backfire if they begin now. "It's like door-to-door selling. You don't want to talk yourself out of a sale. If we start too soon, it will turn off the voters," said a whip.

But many MPs are also worried about exceeding their allowance, of about £7,500 for election expenses, before polling day. They fear they could be challenged by the minor parties, including Sir James Goldsmith's Referendum Party.

One MP said he was staying around Parliament next week, although the House will be in

recess, to enable him to write letters on House of Commons notepaper to constituents who have signed petitions in the past. All the cost of the postage will be born by the taxpayer.

Once the MP starts campaigning, the cost of the postage would have to come out of his election expenses. "The moment I start campaigning, the clock starts ticking on our expenses. So I'm not starting until after Easter," he said.

Most MPs are holding back until 1 April before hitting the streets with campaign leaflets. The party manifestos will be published around 3 April, creating a lull in the phoney war next week. The only exception will be in the marginal seats where all the parties are already campaigning hard.

However, to avoid election expenses being triggered, they are campaigning under the cover of "constituency surveys" until their candidates are formally adopted and up and running after Easter. One MP said: "Providing we don't mention the name of the candidate, we won't incur election expenses."

Whitehall is also likely to be in limbo next week. Civil servants were told this week by Sir Robin Butler, the Cabinet Secretary, not to indulge in party political campaigning. They have been warned that from the moment Mr Major called the election, they have not to allow ministers to take any executive decisions which may bind the next government.

Sir Robin also briefed all the heads of the Whitehall press offices to reinforce the message. Although the wheels of Government are kept turning, ministers have stopped operating through the Whitehall machinery and will be making the most of Easter break.



Political digest: A visitor to Politico's enjoying one of the café's election specials yesterday

Photograph: Brian Harris

Coffee shop politics sound a modern echo of Swift

Fran Abrams
Political Correspondent

Kenneth Baker, the former Tory minister, has popped into Politico's, Westminster's newest political bookshop and café, to buy a left-wing post card.

"Election '97. This choice is no choice," runs the slogan above a picture of two identical candidates labelled "Tweedledee" and "Tweedledum." "Record a protest. Spoil your ballot paper."

Not that the former Conservative Home Secretary is endorsing the sentiment, of course. He just collects political cartoons. Mr Baker spots a copy of *Thatcher for Beginners* and is sufficed with giggles.

"I don't think you're a beginner," the owner, Iain Dale, tells him, and he departs in his waiting car clutching his postcard and a second-hand book of Vicky cartoons which he has impulse-bought.

Above the door of Politico's is a motto, penned by Jonathan Swift in 1711: "It is a folly of too many to mistake the echo of a London coffee-house for the echo of the kingdom."

Despite that warning, Mr Dale has set out to discover how the election will go. Since the former lobbyist opened his shop a month ago after seeing similar outfits in Washington, 800 of his customers have voted both for a prime minister and for a

government. Tony Blair is the Politico's prime minister, and Margaret Thatcher has come in second. John Major has limped home fifth, just behind Geri from the Spice Girls. Among the parties, Labour is running at 46 points, 10 points ahead of the Conservatives, while the Liberal Democrats are trailing on 11.

Mr Dale hopes to do brisk business during the election, and adds that his shop has comfortably surpassed its sales targets in the first month. The

punters have some surprising tastes, though, with Gerald Kaufman's autobiography out-selling Michael Heseltine's by far. The best-selling book is a guide to the general election, but Mr Kaufman's *How To Be A Minister* is a comfortable second. Tony Blair fridge magnets are a big seller, as are the "Grow your own government" fantasy seeds.

Upstairs in the café "Election Choice specials" are on sale alongside "Number 10

doorsteps" and beef-free "Douglas Hogg".

Not everyone has come here to discuss politics, though. Two female civil servants have popped in for a sneaky look at *Hidden Agendas* by Derek Lewis, the sacked former head of the Prison Service. Now they are upstairs having a bite of lunch. Are they talking about the election? "Oh, no," they reply. "We're bitching about our colleagues. Isn't that what people generally do over lunch?"



The man behind the Politico choice: Peter Mandelson (standing, centre of group on right) and helpers at Tony Blair's morning press conference yesterday

Photograph: David Rose

Labour lead widens to 27 points

John Rentoul

Only one voter in five is prepared to take the opinion polls at face value, according to today's *Independent/Harris* poll. With the polls showing Tony Blair heading for a 261-seat majority, only 20 per cent of voters think the election is "already decided".

The state of the parties in our weekly poll is in line with figures from NOP and Gallup this week. Today's poll puts Labour on 56 per cent, the Tories on 29 per cent and the Liberal Democrats on 10 per cent. Labour's lead has increased by two percentage points since last week, while our figure for the LibDems has fluctuated: it was 10 per cent two weeks ago and 14 per cent last Friday. If we iron out the fluctuations by comparing today's poll with two weeks ago, Labour is up three points and the Tories down three.

This suggests that Labour's lead has continued to strengthen since the Wirral South by-election at the end of last month, as all Harris's interviews were carried out since then.

The only other UK-wide party to register is Sir James Goldsmith's Referendum Party, on 2 per cent. But our polls suggest that this is enough to damage John Major by siphoning off votes which would otherwise be Tory. Over the three weeks the *Independent/Harris* polls have been running, 60 per cent of Referendum Party supporters say they voted Tory at the last election. This could see up to a dozen extra seats falling to Labour which would otherwise have stayed Tory.

However, our latest poll sug-

gests voters are not too worried about a Labour landslide. More people – 35 per cent – want a "large Labour majority" than any other election outcome; the next most popular is "small Labour majority", preferred by 20 per cent. Only 7 per cent want "a hung parliament, with the minority parties holding the balance of power". 10 per cent want a small Tory majority and 10 per cent a large Tory majority (18 per cent don't know).

A Blair landslide is most popular among Labour supporters but, surprisingly, 40 per

| The Independent/Harris Poll | |
|---|-----|
| Labour | 56% |
| Conservative | 29% |
| Lib Dem | 10% |
| Others | 5% |
| Harris Research interviewed 1,016 adults face-to-face in their homes between 14 and 17 March. | |

cent of Liberal Democrats described a small or large Labour victory as their "best" outcome. And, despite a change in question wording to try to prove otherwise, the evidence from our latest poll continues to be that the Tory vote is softer than Labour's.

Last week, we asked how certain people were to vote for the party they named. This week, we simply asked how certain people were to vote at all, but again Labour voters were markedly more likely to say that they would turn out: 69 per cent said that they would "certainly" vote, compared with 60 per cent of Tories.

Officials stay mum on nursery helpline

Lucy Ward

A helpline for parents seeking information about nursery vouchers has been replaced with pre-recorded information on an answering machine in case civil servants made comments on the future of the scheme.

With just days to go before the voucher scheme's nationwide launch on 1 April, machines replaced people on the end of the freephone line to meet guidelines on the separation of government and politics during the election campaign.

The Department for Education and Employment, which runs the line, said Cabinet Office rules meant civil servants could not be exposed to questions such as whether vouchers would continue in 1998.

Under the scheme, parents of four-year-olds will be entitled to apply for vouchers for approved nursery care worth £1,100. More than half a million have already applied, but about 100,000 have yet to do so.

Labour has pledged to discontinue nursery vouchers after their first year if it wins power.

PRIME MINISTER'S QUESTIONS

SCORING THE EXCHANGES



John Major
8/10



Tony Blair
8/10

Major was well prepared to allege Labour shenanigans in response to Blair's call for the immediate publication of the Downing report. He did so with force and passion.

Blair was equally sure of himself, putting the argument for a later prorogation, and a continuing cash-for-questions investigation with equal force and passion.

BLAIR'S ATTACK

Blair said that the report by Sir Gordon Downey, Parliamentary Commissioner for Standards, could and should be seen before Parliament was dissolved. Major said the report was just the start of a new process of examination by the Standards and Privileges Committee. Blair reminded Major that he had said last year that he wanted the report published before the election, and told Major that his stance did not look like "can't" but "won't". Major replied with a torrent of allegations of Labour sleaze, and said Blair was only using the affair to try to hide recent good news about the economy.

THEMES OF THE DAY

- The timing of the prorogation of Parliament (Chris Mullin, Lib, Sunderland South; Blair, Paddy Johnson)
- Prices of privatised electricity in the Southern region (Sir James Spicer, C, Dorset W)
- The economy (Winston Churchill, C, Davyhulme)

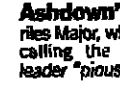
GOOD DAY



David Shaw (C, Dover) led Tory backbenchers who want the Speaker called the Liberal Democrat leader "pious and pompous".

David Shaw (C, Dover) led Tory backbenchers who want the Speaker called the Liberal Democrat leader "pious and pompous".

QUIP OF THE DAY



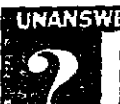
Dennis Skinner (Lab, Bolton), who piped up in response to one of the day's two creeps. According to Spicer, if Major visited Dorset, he could pass on "the good news that as from Tuesday they've had an 11 per cent cut over the course of the last nine months in their electricity bills". "Don't go there by train," advised Skinner.

UNANSWERED QUESTION



Churchill, is the unemployment in France and Germany "due to the fact that they have not had the benefit of the Thatcher/Blair revolution?" A complex question to which the Prime Minister did not address himself.

CREEP OF THE DAY



Churchill: "May I thank my Rt Hon Friend and his Government on behalf of my Manchester constituents for making this country the best functioning economy of all of Europe?"

Compiled by Ben Summers.

Ten Tories who must wait until after the election to see if their names are in the clear



Sir Andrew Bowden, Lady Olga Maitland, Gerry Malone, health minister, Neil Hamilton, Michael Brown, Nirj Deva, Norman Lamont, ex-Chancellor, Sir Peter Hordern, Sir Michael Grylls, Tim Smith

Sleaze report casts shadow over MPs

Christian Wolmar
Westminster Correspondent

The short report from the Standards and Privileges Committee issued yesterday cleared 15 MPs of any wrongdoing, but leaves eight Tory MPs – and two others who are standing down – going into the election without having cleared their names. Sir Gordon Downey, the Parliamentary Commissioner for Standards, stressed that in his interim report, which he only issued because of the outcry over the delay in the publication of the full report, that "no conclusions" should be drawn about the conduct of the remaining MPs still under investigation.

The report exonerated 11 Tories whose election funds received money from the lobbyist Ian Greer, who had been given the funds by Mohammed Al Fayed, owner of Harrods, mostly for their 1987 and 1992 election campaigns. Three Labour MPs – Chris Smith, Doug Hoyle, and Gwyneth Dunwoody – also received money from Mr Greer, together with one Liberal Democrat, Alan Beith. The Tories are: Robert Atkins, Vivian Boddall, John Bowis, Sir Graham Bright, Sir Anthony Durant, David Mellor, Michael Portillo, David Shaw, Sir Malcolm Thornton, Sir Gerard Vaughan and Sir John Wheeler.

Sir Gordon says that the rules current at the 1987 and 1992 elections, required registration of donations – in the Members' Interest Register – where these exceeded 25 per cent of the member's election expenses. The implication is that the amounts received by these MPs were below this limit.

The remaining MPs include the five which have been most closely associated with Mr Greer: Sir Michael Grylls – who is not standing – Michael Brown, Sir Andrew Bowden, Tim Smith and Neil Hamilton. All are alleged either to have asked cash for questions or not declared interests. Mr Hamilton has denied receiving money for asking questions in the House.

Tim Smith, who received £18,000 from Mr Greer, said in a statement: "Although Mr Al Fayed paid me fees, there was never any suggestion of specific amount per question and it cannot, therefore, be described, as far as I am concerned, as 'cash for questions'." In January 1995, I told the executive council of Beaconsfield Constituency Conservative Association that the total amount was in the order of £18,000.

Sir Gordon is also continuing investigations into three MPs whose campaigns received donations from Mr Greer in the 1987 election. They are: Norman Lamont, the former Chancellor, whose fund received £2,000. Gerry Malone, the health minister, whose cam-

paign got £1,000 and Nirj Deva, the MP for Brentford and Isleworth who received £500 and who confirmed that he was one of those still being investigated by Sir Gordon.

The two others still being investigated are Sir Peter Hordern, who is alleged to have received money in exchange for asking questions about Lombar arms deals, and Lady Olga Maitland, who is alleged to have received "commissions" from Mr Greer.

Former members of Parliament who are also alleged to have received money from Mr Greer include Lady Chalker and Lord Moynton, but Sir Gordon has no jurisdiction over them.

No action on 48-hour week before election

Anthony Bovens
Political Editor

The Government has stalled any further action on the 48-hour week Working Time Directive, in spite of its promise to "obey the law" as laid down by the European Court of Justice last year.

After the court upheld the directive, Ian Lang, President of the Board of Trade, issued a consultation document on its implementation. Giving a three-month deadline for replies, he said: "We will take stock of the position in the light of responses."

That deadline ended on 6 March, but a Whitehall source said yesterday that there was no chance whatsoever of anything now being done by ministers before the election, if only because the prorogation of Parliament tomorrow left no time for any statutory action.

Even if Labour wins the election, the earliest that anything can happen is the middle of May, following the opening of the new parliament.

If the Conservatives win the election, John Major will de-

mand a change of treaty law, respectively stopping the use of health and safety provisions to enact employment law.

Michael Heseltine, the Deputy Prime Minister, told a Conservative election press conference yesterday that the Working Time Directive had been introduced "wrongly, under the wrong treaty base - under the health and safety provisions."

He said: "We are totally opposed to that, and we intend to secure an amendment to nullify that in the inter-governmental conference."

"We are totally opposed to what has happened," he added. "We have to keep within the law of the land, but it is our intention to change the law."

Mr Heseltine also said that Labour's eagerness to comply with the directive was one of a number of reasons why Labour could not be trusted to maintain the Government's record of cutting unemployment.

"I am proud of our achievement on unemployment," he said after the announcement of the 68,000 fall in claimant unemployment for February.

Replying to Labour's pledge to create a Cabinet minister with responsibility for employment, Mr Heseltine said: "We already have a minister for jobs. He's called the Prime Minister."

"But I am fearful for our achievement. Whichever of Tony Blair's policies one looks at, there is a threat to people in work."

A Conservative brief on the directive said it would "make labour markets less flexible, destroy jobs and damage prosperity."

"It is part of a wider European social agenda which is alien to the flexible, voluntarist traditions which exist in the UK. The British government has estimated that the directive could cost business up to £2bn every year."

A TUC spokesman said, however, that the compliance cost assessment of £1.8bn was based on an assumption of people being given paid leave at an hourly wage rate of £8.32 - something completely misconceived when the people who would mainly benefit were part-time employees on low wages.

Political advertising swells media coffers

Paul McCann
Media Correspondent

Up to £5m in political advertising is set to flow into the media's coffers during the general election campaign from pressure groups and trade unions seeking to define the election's agenda without actually telling the electorate how to vote.

Labour's £3m advertising fund for the election has been almost doubled by non-party advertisers who promote policies sympathetic to the party. Advertising from the TUC, the National Union of Teachers and the public service union Unison will amount to more than £2m by the time the election campaign finishes.

In addition, the Dunblane Snowdrop Petition announced last week that it was spending £1m on cinema advertisements to get the total hand gun ban that the Labour Party supports.

The three trade union campaigns, which use poster boards, cinemas and newspapers nationwide, highlight issues such as class sizes and employment rights which the Labour Party won't cover in its own ad-

vertising. "The campaigns are independent of each other," says a source close to the Labour Party's advertising. "Obviously they are helpful, but Labour wouldn't necessarily follow those themes if the unions didn't."

The party denies it co-ordinates advertising with the unions even though Unison shares its advertising agency, BMP DDB, with Labour.

Also likely to prove helpful to the Labour Party are campaigns such as Rock The Vote, which is targeting first-time voters, and Operation Black Vote, which aims to get black and Asian voters out in 50 key seats. Neither has much money but they have been given free space in youth and music magazines.

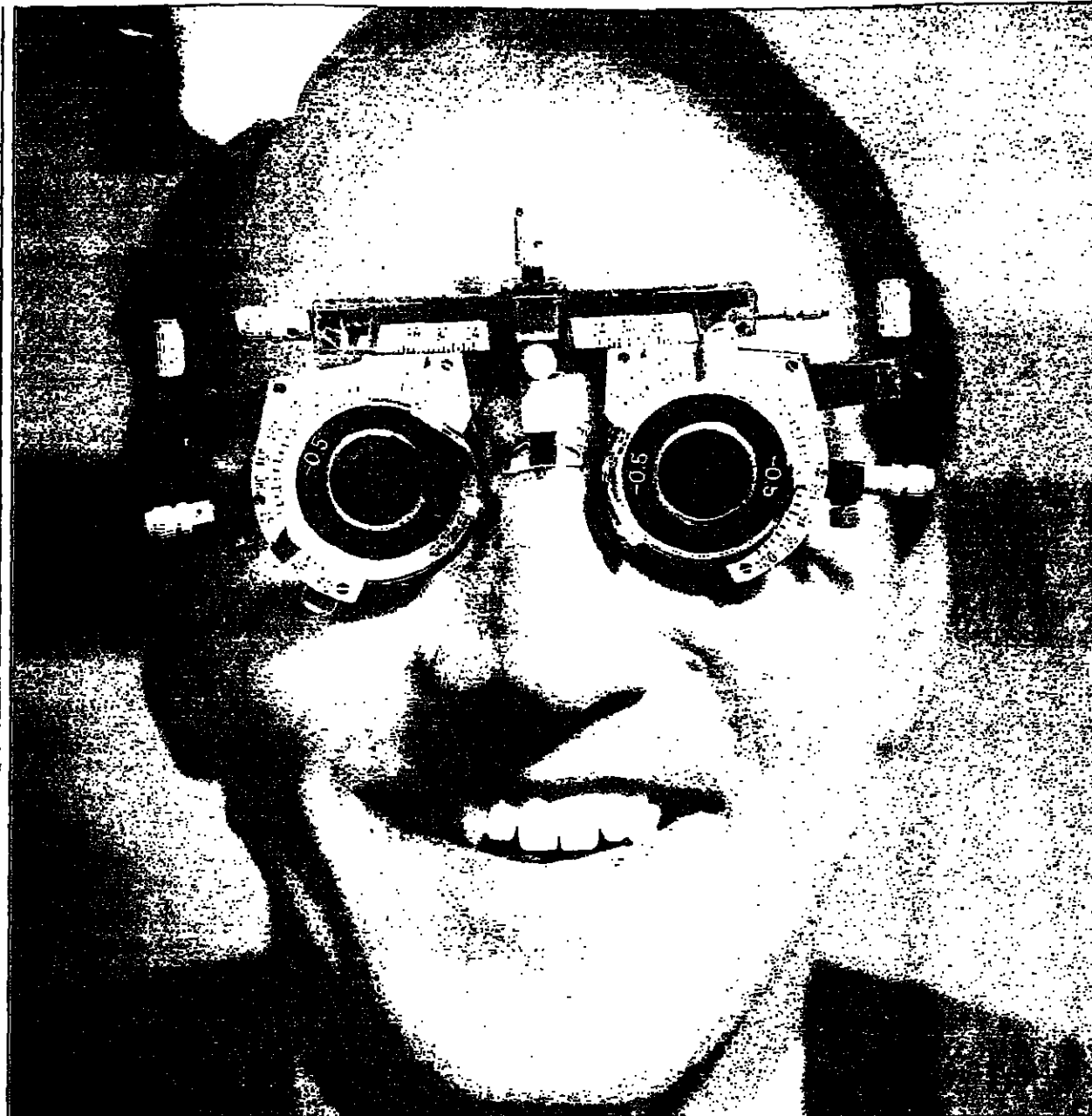
Plugging into the Conservative side are much smaller advertisers who mainly buy whole pages in the national press. Even the larger advertisers, like the Friends of Independent Schools, which is campaigning against a Labour government that would abolish the assisted places scheme, has a budget of less than £100,000. Also on the

Tory side are the hunting and shooting lobbies, such as the British Field Sports Association which wants to keep fox hunting legal.

However, campaigns sympathetic to the Tories are dwarfed by the Conservatives' own advertising budget which is likely to hit £15m by the end of the campaign.

More ambiguous political advertisers include the Association of Retired Persons and People Over 50, which campaigns against age discrimination, and London First, the lobbying group for London which is campaigning against funding cuts for the London Underground.

Much of the advertising will be placed in popular and mid-market newspapers, where floating voters are perceived to be found in the greatest numbers. "The general election flushes out a whole series of groups from all over the political spectrum," said Mike Ironside, advertising sales director of The Daily Mail. "Newspapers are ideally placed to benefit because of the way they can turn around ads at short notice."



Check up: Liberal Democrat health spokesman Simon Hughes having his eyes tested yesterday by John O'Donnell, assistant clinical director of the Institute of Optometry in south London. Photograph: Jason Bye

The clear vision of the Lib Dems

Barrie Clement

Simon Hughes yesterday set out his vision for a Liberal Democrat government. Mr Hughes, the party's health spokesman, emphasised the commitment to restoring free eye tests which were abolished in 1989.

He said the number of people registered as partly sighted rose by one-quarter in the four years since free check-ups were scrapped. In parliamentary answers, the Government revealed that there had been a 57 per cent rise in cataract treatment between 1991 and 1995 and a 44 per cent increase for glaucoma.

In a news conference Mr Hughes also claimed that one in two people were more likely to visit a dentist regularly if the check-up was free.

The policies would be funded by putting an extra 5p on a packet of cigarettes, which would also pay for a freeze on prescription charges pending a full review of the system. "It is clear that thousands of people are slipping through the net. If caught early, conditions like glaucoma and cataracts can be prevented or treated, rather than resulting in more expensive treatment and even sight loss later on."

John O'Donnell, assistant clinical director of the Institute of Optometry, said there was no doubt that some people became visually impaired because they were unable to afford eye tests.

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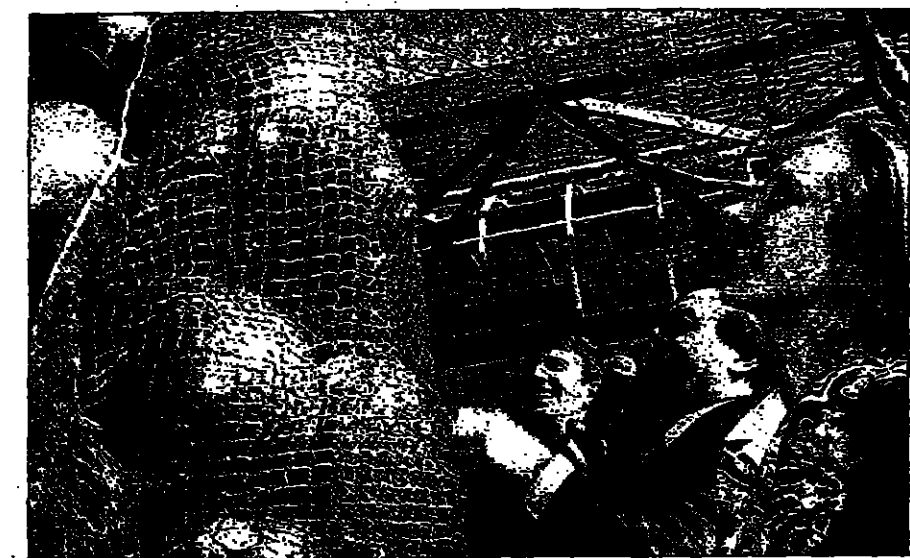
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Up and away: Michael Wills and Julia Brown, Labour's candidates for Swindon, help John Prescott to release 250 balloons yesterday. Photograph: Darren Jack

Old Labour unimpressed with style of electioneering

Fran Abrams
Political Correspondent

It's here at last: Tony Blair's sixth election pledge. New Labour. New Britain. New baseball caps. American-style campaigning has hit election '97 with a vengeance.

Labour's latest balloons-and-baubles sales initiative has caused consternation among some Shadow Cabinet members, though. The party's most senior politicians have been sent glossy catalogues offering everything from mugs to golfing umbrellas. But the pitch has raised questions.

Are they supposed to buy their own red balloons (10 for £1) and blow them up in the back of their hired Rovers on the way to the hustings?

The clothes on offer are also

leading to a few wrinkled noses. John Prescott might just about carry off a "New Labour, New Hope" sweatshirt, but what about the more straight-laced figures on Labour's front bench? Gordon Brown, for example, certainly does not look like a man who would be comfortable in a bright red "Win '97" hat (£4.99). And as for the ties: red with a single red rose (silk, £11.99) is predictable, but who on earth put in that blue version (polyester, £7.99)?

The vision summoned up by the party's new mall order catalogue will strike terror into the heart of many an Old Labour footslogger. Even the battered election car which used to cruise the streets with a megaphone strapped to its roof will be replaced by a New Labour version. Now candidates will simply

slip a copy of the party's theme tune into the in-car stereo system of their Rover.

The tape of D'Ream's "Things can only get better" (£2.99 with a smiling picture of Tony Blair on the box), is the crowning glory of Labour's 1997 election sales push. Each short burst of song is followed by a 20-second gap into which the candidate is supposed to inject his or her personalised version of Labour's five campaign pledges.

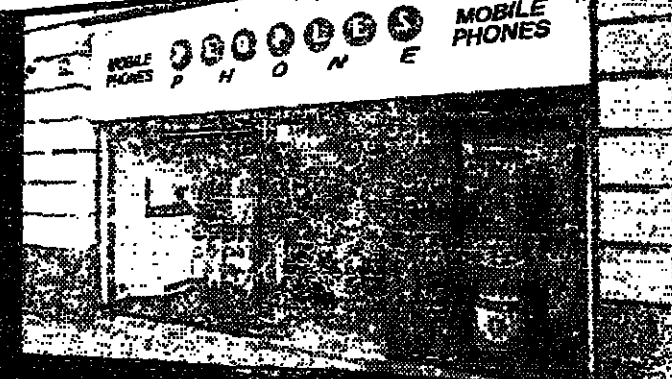
The big question for Election '97, though, is not so much about the balloons as about the balloon-wavers. Are the same 50 people following Mr Blair around the country with the same 500 red rose balloons, or is Walworth Road shopping commitments to photo-opportunity venues around the country? The nation should be told.

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election countdown

McAliskey aims to take on McGuinness



Martin McGuinness: Receiving lion's share of attention

David McKittrick
Ireland Correspondent

The Northern Ireland election campaign flared into life yesterday with the announcement that Roisin McAliskey is planning to stand for parliament in the pivotal Mid-Ulster seat.

Miss McAliskey, who is eight months' pregnant, is being held on remand in Holloway prison in north London. She is contesting a German request for her extradition to face questioning about an IRA bombing attack in Osnabrück.

The move has stirred up a number of ancestral ghosts. In 1969, Miss McAliskey's mother, Bernadette, caused a sensation when she won the same seat as a nationalist unity candidate and became the youngest-ever MP at Westminster.

In 1981, while highly active as a champion of republican prisoners' rights during the traumatic hunger strikes period,



Bernadette McAliskey: Urges candidates to stand aside

Mrs McAliskey was shot and almost killed by loyalist gunmen at her home. In the same year the IRA hunger striker Bobby Sands was elected MP for the neighbouring Fermanagh & South Tyrone constituency. The name of McAliskey has thus been associated with some of the most notable events of the

Troubles. In this instance the intervention has caused a stir, thrown the result in Mid-Ulster into uncertainty, and made inevitable a tense period of stand-offs and mounting pressures.

The seat is currently held by the Democratic Unionist MP, the Rev William McCrea, but since it has a nationalist majority the Social Democratic and Labour Party and Sinn Féin are campaigning hard to replace him. The SDLP candidate, Denis Haughey, is one of party leader John Hume's closest aides and one of the party's best backroom intellectuals.

But his candidacy has been eclipsed by the fact that Sinn Féin has moved one of its best-known leaders, Martin McGuinness, into the constituency. The high-profile republican has received the lion's share of publicity and public attention.

Announcing her daughter's candidacy, Mrs McAliskey asked other nationalist candi-

dates "to stand aside on this one occasion".

She added: "In the face of the continued refusal of the British court to acknowledge her right to bail and the British administration's racist belligerence, insult and inhumanity, we feel this may be her only opportunity to secure her release before the birth of her child."

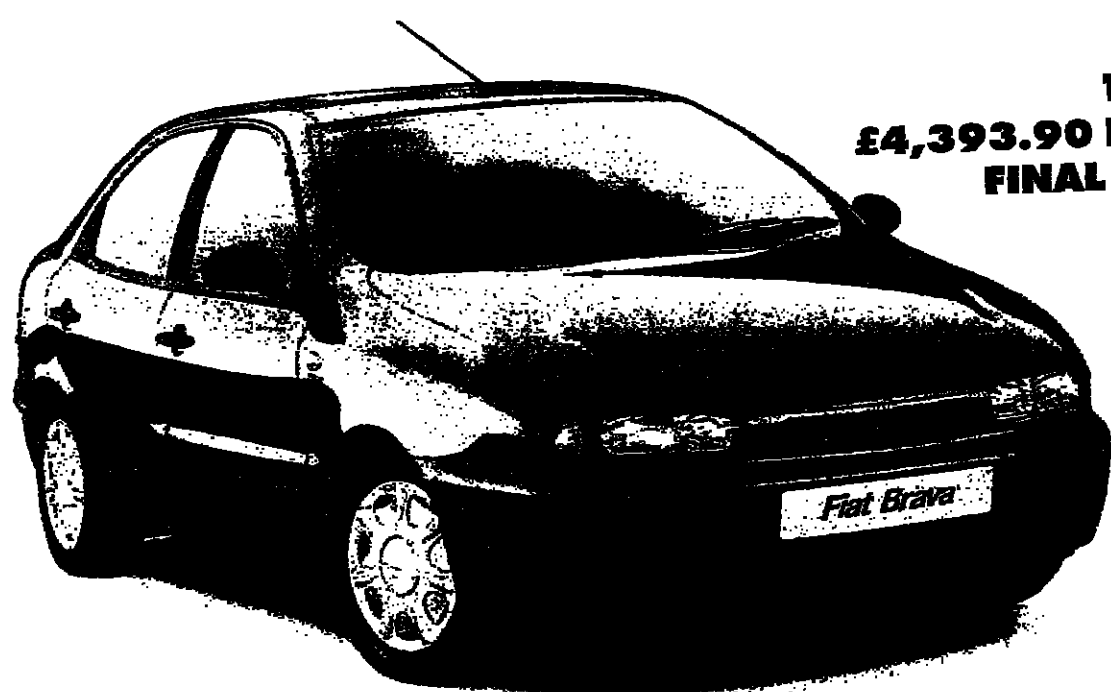
Mr Haughey was quick to respond that the SDLP would not be pulling out of the contest as requested. Sinn Féin, by contrast, said carefully that "if this is a realistic proposition the McAliskey family, Sinn Féin and the SDLP should discuss this issue out fully".

Both Sinn Féin and the SDLP will be approaching the question sensitively, since a sizeable human rights campaign has been built around the issue of the conditions under which Ms McAliskey, who is standing under no party banner, has been held in Holloway.



Roisin McAliskey: Standing in her mother's old constituency

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Labour best for schools, say teachers

Lucy Ward and
Judith Judd

Labour is winning over the electorate on education issues but teachers have abandoned their old loyalties to the Tories, according to two polls published today.

A Harris opinion poll commissioned by the 150,000-strong Association of Teachers and Lecturers in the run-up to its annual conference next week, put Labour well ahead of its rivals on four key education policy issues.

Of more than 1,000 voters interviewed, more trusted Labour than either of the other main parties to invest more cash in schools, get the best out of teachers, offer the best job prospects for children and raise the quality of education.

Almost 60 per cent thought Labour would increase schools spending, giving the party a 34-point lead over the Conservatives, though Gordon Brown, the shadow Chancellor, has pledged to stick to the Government's public spending targets for two years. Tony Blair, the Labour leader, has promised to give education a bigger slice of the cake after five years.

The Conservatives trailed in third place, behind Labour and the Liberal Democrats, with 48 per cent of the public believing they would not deliver on any of the key questions posed.

An ICM poll, commissioned by the National Union of Teachers, found that nearly 40 per cent of 530 teachers questioned last month said they had not decided how to vote. Of those who did declare their intentions, 59 per cent said they would vote

Labour, 21 per cent Liberal Democrat and 15 per cent Conservative.

Doug McAvoy, the NUT's general secretary, said: "Back in 1979, there was a very significant level of support among teachers for the Conservative Party. The message to the political parties is that there is a teachers' vote still out there and it is for them to declare their policies over the next few weeks to attract that vote."

Teachers put more funding for schools and lower class sizes at the top of their list of priorities. He suggested that figures showing that 85 per cent of teachers aged 22-34 were satisfied with their jobs, compared with only 43 per cent of the over-45s, reflected the fact that older teachers could remember "what seemed like a golden age" before the Conservatives came to power.

He also warned that teacher unions would take on a Labour government if it refused to supply enough money for schools. "We shall put the same pressure about funding on any government, irrespective of its colour. We shall try to persuade Gordon Brown, the shadow Chancellor, when he prepares his first budget, that education needs more."

Peter Smith, general secretary of the ATL, urged Mr Blunkett to use the first 100 days of a Labour government to hold a "summit meeting" with the profession. "He has a huge opportunity to call together all the key figures and be absolutely candid with them; tell them what can be done in year one and ask them what their priorities are," he said.

Tales from under the MPs' sheets

Michael Streeter

After years of tabloid revelations about their nocturnal activities, MPs have finally revealed what they really do in bed - slip between the pages of a good book.

In a survey of 61 MPs by the Sleep Council, nearly half said reading helped them relax for sleep. 15 per cent watched television, 7 per cent claimed they talked to their wife, and one (Labour) MP said counting Tories losing their seats did the trick. None mentioned sex.

The ultimate luxury at bedtime for Labour's Joe Ashton was "a dark room and quiet, having been to see Sheffield Wednesday win, followed by

two or three pints and fish and chips". Tory Peter Butler opted for white cotton sheets, a view of a warm ocean and good company - "my wife, of course". Liberal Democrat Alan Beith chose the bed in the Speaker's state room in the Commons.

The Sleep Council, which promotes healthy sleeping, asked the MPs how much sleep they expected to get during the run-up to 1 May. More than one-third said six hours sleep or less a night - a figure that increased to more than half among Liberal Democrat MPs.

When the MPs were asked what they most looked forward to after the election, more than 40 per cent chose a good night's sleep and a lie-in. Surprisingly, one-quarter expected to be in bed by midnight on election night, though whether through confidence, defeatism or sheer exhaustion was not clear.

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Councils may axe home helps, say law lords

Glenda Cooper
Social Affairs Correspondent

Local authorities may withdraw home help services from the sick and disabled if they cannot afford to provide them, the House of Lords ruled yesterday.

In a ruling of vital importance to the Government's community care policy, the Law Lords, in a 3-2 majority decision, held that a person's home help needs "cannot sensibly be assessed

without having some regard to the cost".

Gloucestershire County Council and the Secretary of State for Health, Stephen Dorrell, were challenging a Court of Appeal decision last year. In 1994 the council had withdrawn services to 1,500 disabled people after £2.5m cuts in govern-

ment funding. An appeal, backed by the Royal Association for Disability and Rehabilitation, was brought on behalf of one of those affected. 81-year-old Michael Barry, who had suffered a heart attack and a stroke. He also has poor eyesight and uses a walking frame as a result of a fractured hip.

From 1992, the council had organised home care, visiting Mr Barry twice a week to do shopping, laundry and cleaning as well as providing a meals on wheels service. But in September 1994, the council informed him that cleaning and laundry

services would be withdrawn after government cuts which left it with "nowhere near enough to meet demand".

The 1970 Chronically Sick and Disabled Persons Act states that, where a local authority is satisfied that it is necessary to meet the needs of a disabled person, it "shall make arrangements" for one or more of a range of specified services to be provided. The High Court ruled that it would be "impractical

and unrealistic" to stop councils making cuts if their budgets were reduced.

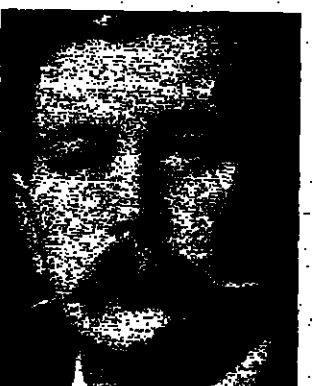
But last June, Court of Appeal judges ruled that the council was wrong to consider its own financial resources when assessing the needs of disabled people and deciding whether there would have to be cuts.

Lord Nicholls said yesterday: "A person's need for a particular type or level of service cannot be decided in a vacuum from which all considerations of cost have been expelled."

Elementary answer to Piltdown tale

Michael Streeter

In a deduction worthy of Sherlock Holmes, a science historian yesterday publicly implicated Sir Arthur Conan Doyle in the infamous Piltdown Man hoax, citing the renowned author's own silence on the celebrated palaeontological prank to back his case.



Sir Arthur Conan Doyle: Alleged hoaxer

Richard Milner, a historian at the American Museum of Natural History in New York, said that although the 1912 "discovery" of remains of the so-called "Earliest Englishman" took place close to Sir Arthur's home, near to where he played golf and that he knew the characters involved, there had been no overt reference to the matter in any of his writings.

Referring to the author's fictional detective, Mr Milner

said: "It is like the dog that did not bark in the night. Why didn't Sir Arthur refer to it? It was a very exciting find."

The riddle of who carried out the bone hoax - exposed in 1933 as a mixture of a human skull and orang-utan jaw - has long intrigued scientists and historians.

Early suspects included Charles Dawson, the solicitor who found the remains in a Sussex quarry, later widening to Sir Arthur as well. Last year Professor Brian Gardiner of King's College, London, said he was "100 per cent" certain that the hoaxer was Martin Hinton, the Natural History Museum's curator of zoology in 1912.

Yesterday, in a debate organised by the Linnean Society, (named after the inventor of the system of Latin classification for flora and fauna), Mr Milner, Professor Gardiner and other experts put forward rival theories for the culprit.

Mr Milner told *The Independent* that his main evidence against Sir Arthur was his motive, and clues in his novel *The Lost World* - in which a scientist announces the discovery of dinosaurs to a sceptical scientific establishment. He rejects the theory the hoax was perpetrated by a scientist trying to make a reputation, and suggests the instigator was someone trying to show up the gullibility of scientists.

The writer's motive, said Mr Milner, came from his devotion

to spiritualism, a belief widely ridiculed by scientists. In particular, Sir Arthur was angered by the prosecution of his favourite psychic, Henry Slade, by an evolutionist in 1876.

"Conan Doyle had the deepest kind of motive for wanting to take revenge on scientists," said Mr Milner. The author had exploited English scientists' desire to find their own prehistoric human bones at a time when both France and Germany already had their own collections.

Mr Milner also believes Sir Arthur left an abundance of clues in *The Lost World* - published in the same year as the hoax - that suggest he was behind the staging and placing of

the bones. One of its characters is quoted saying that faking bones was as easy as faking photographs.

The book also contains a key, containing 18 characters, which Mr Milner believes is a cryptogram holding the solution to the Piltdown hoax, a device he may have borrowed from Jules Verne.

"I think Conan Doyle wanted to be discovered quite quickly," said Mr Milner. However, as the outbreak of war loomed, Sir Arthur had wanted to advise the Government on the dangers of German U-boats, and thus did not want to be known as a hoaxer. "The cryptogram changed from edition to edition

- I think he thought that as the secret was not discovered quickly he would obscure it."

Mr Milner said he was confident of his theory, but conceded that the riddle was unlikely to be solved definitively unless some "genius" cracked the cryptogram, or unless private papers of Sir Arthur, which may be available for study in the next few years, revealed his involvement.

"I am not trying to denigrate Conan Doyle, he was a very honourable man. I think no less of him for doing it - he believed it was the most important thing in the world to convert people to what was essentially his religion," said Mr Milner.



Missing link 'Piltdown Man', a faked remains found in 1912. Was the hoax perpetrated by Sherlock Holmes's creator to discredit evolutionists?

Celebrated hoaxes of the 20th century

The famous 1934 picture of the Loch Ness monster in fact showed a model based on a Woolworth's toy submarine with a plastic head made by a team of hoaxers.

In 1938, six million listeners to CBS radio heard a "news bulletin" announcing an invasion by Martians. People took to the streets in panic, thinking the broadcast, which was part of Orson Welles's adaptation of *War of the Worlds*, was really taking place.

German forger Konrad Kajari fooled eminent historians and *The Sunday Times* with Hitler's diaries, which he wrote to pay for a drunken affair.

In 1995, the Queen was tricked into broadcasting a message of support to Canada by a DJ called Pierre Brassard posing as the Canadian Prime Minister, Jean Chrétien.

A Capital Radio DJ once announced that because of the adjustment between GMT and BST, April 5 and April 12 had been cancelled.

FO seeks report as police fire on fans

Kim Sengupta

Foreign Office officials yesterday demanded an explanation from Portugal after dozens of Manchester United fans protested about the use of rubber bullets and tear gas by police after a football match in Oporto.

At least 20 fans were injured, eight of them requiring hospital treatment. But there was confusion last night about what caused their wounds.

The British Embassy in Lisbon confirmed that rubber bullets were fired by the police. But Delim Passos, head of police in Oporto denied this. He said although CS gas had been used "I can guarantee that not a single shot was fired. We evacuated the fans with more civility than I think they expected, and that was nice at the end."

But United fans, who were returning to Manchester when the trouble erupted, accused the police of carrying out unprovoked baton charges outside the ground before the match, and firing on people leaving after the match.

The Foreign Office said: "We are concerned at reports of injuries to around 20 fans... We are aware of reports, and have also been told by a number of fans, that their injuries were caused by police batons and rubber pellets. We are seeking a full police report from the Portuguese authorities."

However, Portuguese police accused United fans of being drunk and violent. One senior officer said police "were forced to use anti-riot equipment".

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news



Shoulders together: Peter O'Toole (left) and Sean Connery were among the pall-bearers at the funeral yesterday in north London of their fellow actor Ronald Fraser, who died last week

Criminal justice system fails to lessen drug use

Jason Bennett
Crime Correspondent

Prison and community sentences do not deter addicts from taking drugs and in some cases result in greater consumption, according to the findings of a new Home Office study.

Drug offenders who are jailed actually increase the amount and variety of illegal substances they use a year after their imprisonment, the report concluded. Offenders who get non-custodial sentences continue to take about the same amounts of drugs. The study also found that only about 5 per cent of the sample received regular drug treatment in the community 12 months after being sentenced.

The disturbing findings indicate that the criminal justice system is failing to have any effect on the drug use among addicts. It also suggests the current treatment programmes are utterly inadequate. A national drugs agency last night called for a radical change in treatment.

The report, Persistent Drug-Misusing Offenders, based on a study by Professor Philip Bean and Dianne Winterburn of Loughborough University, interviewed 148 persistent drug offenders. The sample, who were mostly unemployed, white single men in their twenties, had committed a range of offences including burglary, theft, violence, and drug possession and supply.

About half took heroin, four in ten had tried crack, and most took a combination of drugs which also included cannabis, amphetamine, tranquillisers, and LSD.

The group was interviewed a year after conviction – about half were given jail sentences and half community penalties – but only 71 responded.

Those who were imprisoned consumed more types of drug in the month at the end of the year than at the beginning – from 81 types to 101 – while the number of times drugs were used in the month increased, from 2.5 per person to 3.1. For those who received a non-custodial sentence the rates declined slightly, but not significantly. Over the year, about half the drug users were reconvicted of further offences.

The report concluded that there was a "need for the criminal justice system to ensure that drug treatment is more widely available than it is at present". Mike Goodman the director of Release, the national drug and legal help line, said the report had to be treated with caution because it was a small survey, but it clearly showed that jail or community sentences failed to stop addicts taking drugs.

He said: "We need treatment and education to assist drug users to radically change their situations and habits. The criminal justice system has very little impact."

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DAILY POEM

England Nil

By Anne Rouse

The advance to Hamburg broke with all the plans
Doug spelled them out in Luton Friday night.
Someone had balled it up. A dozen vans
waited in convoy, ringside. Blue and white
We stumbled through. The beer
When we found it in that piss-hole of jerrys
Was all we needed. Who won the war,
Anyway? Who nuked Dresden? Two fairies
Skittered behind the bar, talking Kraut
Or maybe Arabic. We clocked the poison
Smiles and charmed till the SS throw us out.
Stuttgart was a tea-party to this. One
By one they've nicked us, berserk with fear.
You've been English but you won't forget it, never.

This poem is one of seven by the Washington-born, London-based Anne Rouse to appear in *Making For Planet Alice*, the recent anthology of 30 "new women poets" edited by Maura Dooley for Bloodaxe Books (£8.95). Other poets represented include Susan Wicks, Jackie Kay, Mimi Khalvati, Ruth Padel and Kate Clanchy.

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Har Homa protesters overrun shrine

Patrick Cockburn
Jerusalem

Palestinian demonstrators hurled rocks at Israeli troops in Bethlehem and Jewish settlers moved into a Palestinian district in East Jerusalem yesterday further damaging the prospects for a peace agreement aimed at ending the Arab-Israeli conflict.

The riot started when 300 students from Bethlehem university held a march protesting at the construction of a Jewish township at Har Homa between Bethlehem and Jerusalem. As they approached Rachel's Tomb, a heavily fortified Jewish shrine protected by Israeli troops, 40 Palestinian police tried to hold them back, but were overrun.

Sheltering behind a wall by a petrol station, the soldiers fired tear gas grenades, but appeared to be under orders not to fire live rounds. A few stones came skimming towards the troops and Palestinian boys raced forward to lob back the gas grenades. "Perfume from Bethlehem," said an Israeli policeman as choking onlookers were enveloped by a cloud of gas.

Yasser Arafat, the Palestinian leader, appeared to be trying to prevent protests against Har Homa turning violent, fearing the Palestinians might forfeit international support. Nabi Amir, an adviser to Mr Arafat, said on the Voice of Palestine: "The fruits of world support arrive gradually. It is thanks to such support we have come this far."

But there is a diminishing basis for cooperation or negotiations between Israel and the Palestinians. A proposal by Benjamin Netanyahu, the Israeli Prime Minister, whereby the present interim phase of the Oslo accords, intended to end the Israeli occupation of the West Bank, would be dropped and a final agreement reached by the end of the year, was dismissed by Palestinian leaders.

In Jerusalem another development is likely to deepen Palestinian suspicions. Overnight, apparently with the knowledge of Mr Netanyahu, five families belonging to the extreme settler organisation, El Ad, moved into a large house formerly occupied by Palestinians in the Silwan district of Jerusalem. This is one of the most heavily contested areas of the city, as it is only 300 yards from al Aqsa mosque, and occupies the site of ancient Jerusalem



Clash of wills: A Palestinian protester dodging tear gas yesterday as he attempts to hurl a canister at Israeli soldiers in Bethlehem Photograph: AP

captured by King David. "The settlers came at 1 pm. They have not said a word to us," said Mohammed Abu Djab, a Palestinian who lives next door to the building taken by El Ad. Several Israeli men inside the house said they were from a security firm and would not speak. Later, Yigal Canaan, the leader of El Ad, said: "This whole hill is part

of ancient Jerusalem and our organisation's goal is for the whole hill to become Jewish."

He is not far from his aim. House after house in Silwan are sprouting Israeli flags. Under the Labour government between 1992 and 1996, no Palestinian houses were taken over. Instead, El Ad and its sister organisation, Ateret Cohanim

(Crown of the Priests), was the target of a government inquiry into how they had illegally received official funds to obtain Palestinian houses. But on the morning of Mr Netanyahu's election victory last May - even before it was confirmed - El Ad resumed its campaign.

The settlers have little sympathy for Palestinian occupants.

Amir Ben David, 32, a settler born in the US, will move into a house above the biblical pool of Silwan, next week. He said: "There was a family here before, but the courts told them to leave. This is the City of David."

Mr Ben David does not think Jewish settlement should end with the City of David. "Those houses are built on the graves

of Jews from the time of the Second Temple [destroyed by the Babylonians in 587BC]."

The Prime Minister's office said that it had known of the take-over by settlers in Silwan, but had not initiated it. In practice, however, El Ad cannot act without coordination with the armed security guards paid for by the government.

Move to expand Security Council to 24

Agencies

New York — The president of the UN General Assembly yesterday fired the starting gun for a race that could change the face of international politics.

Razali Ismail, of Malaysia, presented a key resolution to enlarge the UN Security Council to allow Japan and Germany to become permanent members, but without veto power. The document would expand the 15-member council to 24 seats, and it is considered the first serious attempt at concrete steps to reform the body after years of discussions. It envisages stages that would take about a year before final decisions are made and voted on by the assembly and the council.

Five countries, the United States, Britain, France, China and Russia, are permanent members with veto powers.

Mr Razali's proposal would add five permanent members and four rotating non-permanent members. Two of the permanent members would be from industrialised states, and one each from Africa, Asia and Latin America. The four non-permanent members would be from Africa, Asia, Eastern Europe and Latin America.

But none of the new members would have veto power, a provision which Japan and Germany are bound to oppose.

Italy's ambassador, Paulo Fulci, said Mr Razali's proposals would make the council less democratic, creating three, instead of two, categories of members. The British ambassador Sir John Weston said it was a good basis for negotiation and should lead to a decision by the assembly.

Mr Razali hopes his proposal will be adopted by the General Assembly in September, and that the assembly will vote on the actual members of the expanded Security Council by 28 February 1998, a spokeswoman said. Under the proposal, the assembly would vote a week later to amend the UN charter, she said.

War memorial plan provokes a row all out of proportion

Rupert Cornwell
Washington

They're planning a spanking new Second World War monument here. But as with almost every memorial in Washington, the project has sparked a conflict scarcely less fearsome than the one it is meant to commemorate.

This week, Bob Dole, the defeated 1996 Republican presidential candidate who was almost killed by a German shell in 1945, formally

launched a campaign to raise the \$100m (£61m) required for a suitable tribute to the war in which "America saved the world."

Few here would disagree with that sentiment, nor with the proposed design - a plaza enclosed by a 50-foot high colonnade and an embankment planted with white roses. The problem is the chosen site, on the Washington Mall right in the middle of one of the city's - and the country's - greatest vistas, stretching from the

Washington Monument to the Lincoln Memorial.

"Just like Cinderella's stepsisters whose feet were too big for the glass slipper, World War Two is simply too big for this site," Senator Bob Kerry of Nebraska, decorated Vietnam war hero and arch-foe of the proposed site, declared in a letter to the country's Battle Monuments Commission. The editor of *Architecture* magazine went even further: The plan, Deborah Detsch wrote, "dishonours" the ideals

represented by the Mall. But such disputes are as predictable as the imminent flowering of the cherry trees along the Potomac River.

First there was the Vietnam Veterans' Memorial, re-opening painful divisions between those who insisted it was too self-effacing, and those who believed that that war needed no memorial at all. But if Vietnam, others argued, then why not Korea? And so, a Korean War memorial was duly built. Ah, but no women were fea-

tured in Vietnam I, it was objected. Thus the adjoining new Vietnam Women's Memorial.

Then a squabble erupted over the shrine to Franklin Roosevelt under construction close by. In the interests of historical accuracy, should not one of America's greatest presidents be portrayed in a wheelchair and with the familiar cigarette holder jutting from his mouth? (The answers, after much debate involving the disabled and the anti-smoking lobbies: Yes, and No).

And even the Holocaust Museum, with which no-one can surely quarrel, provoked a dispute. If butchered European Jewry should be so remembered, then why not an equal museum chronicling the uprootings and extermination of the American Indian?

But Mr Dole should not be discouraged. If controversy is certain, so is the outcome. The monuments get built in the end, and everybody loves them.

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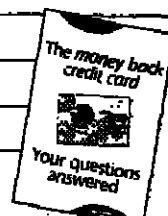
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international

Bonn wants limit to first wave of Nato expansion

Agencies — Nato should invite only three new members when the alliance moves toward eastward expansion this summer, Germany's Defence Minister said yesterday.

"I favour starting carefully and then developing the relationship between Nato and Russia," Volker Ruhe said. "In my view, we should start with three members."

The alliance plans to offer some former Soviet bloc countries membership at an alliance summit meeting in Madrid on 8-9 July. Poland, the Czech Republic and Hungary are the most likely candidates. But some countries have plumped for other candidates. Italy has backed Slovenia and France has called for Romania to be invited.

Mr Ruhe's comments made it plain that Germany opposes widening the first group, although he said the allies have not made a final decision. Mr Ruhe added: "There must also be a clear signal that the process will continue."

There is still debate within Nato over whether enlargement will continue to include a second wave of countries.

President Jacques Chirac said yesterday that all European countries had a right to join the Atlantic alliance. Mr Chirac's office said he made the comment in a meeting with visiting Slovakian Prime Minister Vladimir Meciar, whose country is not expected to be in the first group of countries invited to join the alliance.

There is particular concern amongst the Baltic states, Latvia, Lithuania, and Estonia, that they will not be included in the first wave of expansion. In Brussels, on Wednesday, Lithuania's Foreign Minister, Algirdas Saudargas, said at least one of the three should be included.

"In order to make the enlargement process a success, it is important that at least one Baltic country should be invited to join the alliance with the first group," Mr Saudargas told a meeting of Nato am-

bassadors and aspirant members. "We want to be part of the alliance, because both common sense and the success of the alliance members suggest that the best, the most effective, and the least expensive way of building and developing a national defence system is through participation in collective defence arrangements."

In Helsinki yesterday, about 30 Lithuanian students gathered across the street from President Bill Clinton's hotel to press their demand for their country's admission to Nato. The students, chanting "We will be in Nato," to the rhythm of Queen's "We Will Rock You," earlier stood outside Finlandia Hall, one of the press centres set up for the meeting of Mr Clinton and Russia's President Boris Yeltsin.

The students distributed flyers appealing to Mr Clinton to push for Nato membership for Lithuania, because "our security and enhanced stability are not a threat to anybody, neither East nor West".



New image: Russian dolls of Yeltsin, Clinton and family on sale in Moscow Photograph: AP

US-Russia leaders find health to talk

Tony Barber
Helsinki

A wheelchair-bound United States president and an ageing leader of Russia will attempt to map out the future of European security today at a meeting superficially reminiscent of Franklin Roosevelt's talks with Josef Stalin at Yalta in 1945. President Bill Clinton, hobbled by a knee injury, and President Boris Yeltsin, recently recovered from heart surgery and pneumonia, hope to settle at least some details of a new security order that would deepen Nato's relationship with Russia while permitting the alliance to expand into central and eastern Europe.

A clear sign that the US and Russia are making progress emerged yesterday when Mr Yeltsin's spokesman, Sergei Yastrzhembsky, indicated that Moscow was no longer demanding that its agreement with Nato should have been legally binding. He suggested that Russia would be satisfied if the agreement was "politically binding", as was the 1975 Helsinki Final Act on European security.

It remains unclear, however, whether the Nato-Russia agreement will be ready for signing at the time of the alliance's July summit in Madrid, when Nato will issue formal invitations to its prospective new members.

As the two leaders flew into Helsinki yesterday, Russian officials were adamant that the Kremlin would not change its view that Nato was making a grave mistake by insisting on enlargement. Mr Yeltsin, in a statement at the airport, predicted that his summit talks would be "difficult and serious" but said he thought Mr Clinton would work to find a compromise.

US officials stressed, as they have done for months, that Nato's planned expansion was

not directed against Russia, but acknowledged that the Russians did not see matters in the same light. "I think that they have not yet internalised what is that we have been telling them," Madeleine Albright, the US Secretary of State, said.

Mr Clinton's National Security Adviser, Samuel Berger, added: "We are going to disagree on Nato enlargement... and the issue is how we work together in spite of that issue on which we disagree."

The summit, the twelfth meeting between Mr Clinton and Mr Yeltsin in five years, is viewed across Europe as one of the most significant US-Russian encounters since 1945, with much at stake for the whole continent. The two men were guests last night at a banquet in Finland's presidential palace, but the substance talks start today.

Mr Yeltsin, looking thinner but more cheerful and robust than for many months, braved icy weather as he spoke at the airport of his hopes for the summit. "The most important thing we must remember is that not only our two countries but Europe and the whole world are watching us. We must not lose the partnership that we have developed in recent times," he said.

Despite Russia's steadfast public opposition to Nato enlargement, the outlines of a deal that will enable the Czech Republic, Hungary and Poland to join the alliance by 1999 have been gradually hammered out in recent weeks at private talks between Russian and Western officials. If all goes well at the summit, the future relationship will be codified in a document that will guarantee close Russian involvement in many alliance activities and deepen co-operation on matters such as military doctrines, nuclear non-proliferation and counter-terrorism.



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Pipped by France over hot line to Moscow

It was February 1966. Harold Wilson, the British prime minister, and Andrei Kosygin, the Soviet leader, were heading for Moscow airport in the back of a limousine. Mr Wilson suggested London and Moscow might have a "hot line", similar to the one which already linked Washington and Moscow so that the leaders of the two nuclear weapons states could talk to each other instantly.

Thus began a saga that sounds more like a script from *Yes, Prime Minister* than an episode in great power relations. The story of the proposed British-Soviet "hot line" gives a wonderful insight into Britain's perception of itself, and into the jostling for position between Britain and the real enemy, General de Gaulle's France.

The British already had a "hot line" to Washington but all communications between the British and Soviet governments passed in traditional fashion through Her Majesty's Ambassador.

The British first considered their own hot line between heads of government in 1963, after the Americans rebuffed suggestions that Britain might tie in to the Washington-Moscow hot line. The idea was not pursued, however, because the Foreign Office believed "it might lead to differences with Britain's allies who might be suspicious of our motives and might be tempted to set up hot lines of their own".

The same arguments surfaced in 1966. It was unclear what exactly the prime minister had in mind. If it were not a nuclear hot line, on the Wash-



Wilson's bid to emulate the US fell foul of our old rival, writes Christopher Bellamy

putting one of theirs in Whitehall. One suggestion was to use an obsolescent pair of machines good enough to stop others from listening in, but without disclosing Britain and Russia's latest encryption techniques to each other. Then it emerged that the machines in question were made in Norway, and that Norwegian approval would also have to be sought.

The system would cost between £20,000 for the most basic and £40,000 for something more sophisticated. But then it had to be manned. A hot line would require competent Russian linguists to man it and to translate whatever message the Russians chose to send. To provide 24-hour cover would require three people. The Foreign Office protested they did not have three Russian linguists of "interpreter" standard to spare.

"One solution might be a small bachelor flat, or a hotel room, in which people might do night or weekend duty on a roster", wrote a Foreign Office



Telephony war: Wilson and Kosygin in Moscow, where the prime minister decided he needed a hot line to the Soviet leaders, just like the Americans had

chinery that is practically never used tends to break down when it is. But that, I suppose, is a risk that we must face". In other words, there was no guarantee the thing would actually work when needed.

The Foreign Office's draft paper was eventually submitted to its Secretary of State on 10 June. It concluded there were "no insuperable technical problems. But, they noted tactfully, "it is doubtful if the Russians would be willing to use any such link in the manner that the PM probably intends, ie, in the same way as the link with the [US] President".

Then the real point of the exercise emerged. "It is, however, suggested that a further inquiry should be made to the Russians, partly in order to pre-empt any attempt by General de Gaulle to secure a similar facility".

After three months of writing to each other, the British had explored every nook and cranny of the argument. One point that kept coming up was the embarrassment they would face if they binned the idea and the French then got their own hot line.

On 29 June, disaster struck in the form of a short article in the *Guardian*, headlined: "White phone from France to Soviet Union". The two countries would establish "a direct teleprinter link between the Kremlin and the Elysee Palace".

General de Gaulle had gone to Moscow on a state visit and

agreed a link of the type the British had been contemplating for months. Establishing the Paris-Moscow link had been a simple "political decision", wrote Michael Palliser, of 10

Downing Street, on 18 July. Agreement had been reached very quickly. "Mr Kosygin's replies to the PM in February and July suggest that the Russians are not interested in

making a similar political gesture to us", wrote Mr Palliser. What happened next will not be known until the 1967 papers are released next January. Downing Street has confirmed

that there is now a telephone link to the Kremlin, installed in 1992. A telex or teleprinter link was installed in 1987. But between 1967 and 1987, it seems that Britain had to use

the normal telephone when it wanted the Kremlin's ear. ■ The Independent thanks the staff of the Public Record Office, in Kew, London, for their assistance in researching this article.

De Gaulle had gone to Moscow on a state visit and agreed a link of the type that Britain had been studying for months



De Gaulle came to a political decision

ington-Moscow model, officials feared it would simply replicate the normal contacts between ambassadors, although it would enable the heads of government to circumvent their diplomatic services. The Foreign Office, predictably, thought this was a bad idea.

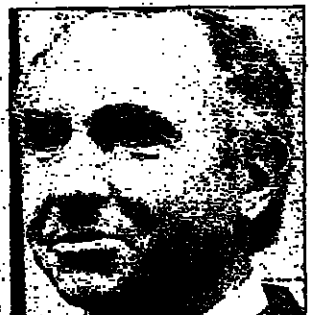
The communications would have to be in cypher, to prevent anyone listening in. Here, too, was a problem. Apart a British cypher machine in the Kremlin would give the Russians a wonderful opportunity to pull it to bits and analyse it. The Soviets would have the same problems

ficial, PH Lawrence, on 12 May. "But I imagine one would have to pay a substantial inducement to persuade people to do this over a length of time". No one was very keen on the idea.

"And, still, no-one knew exactly what Mr Wilson had in mind, though they initially thought the hot line would be designed to forestall Armageddon. That caused more problems.

"One of the risks is that it would be used only in an emergency, which we hope would not happen at all often", Mr Lawrence continued. "Ma-

'We did get the Kremlin once...'



Sir Humphrey: Don't panic

PM: Tell me, general, where's the hotline?
General: Which one?
PM: The one to Russia?
Aide: The red hot line sir?
General: In Downing Street.
PM: So, in an emergency, I can get straight through to the Soviet President?
General: Theoretically, yes.
PM: Theoretically?
General: That's what we tell journalists. In fact, we did get through to the Kremlin once, but only to a switchboard operator.
PM: Did the operator put you through?
General: We never found out. Didn't seem to speak much English...
PM: How often is it tested?
Sir Humphrey: Well, they try not to test it too often. It tends to create unnecessary panic at the other end and panic's always a good thing to avoid where nuclear weapons are concerned, don't you think?

Excerpt from the BBC's *Yes, Prime Minister*, 1992

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international

Zaire holds its breath as rebels dictate plans for the future

Ed O'Loughlin
Goma

In a large school building near the airport at Goma more than 1,000 adults sat hunched over notebooks and scraps of paper, their pens moving in unison. From the platform a man in a blue denim shirt dictated slowly into a microphone.

"Lesson one: The seven errors leading to the failure of the 1964-65 Congo rebellion. Lesson two: The basic cell. Lesson three: Social classes and the class struggle. Lesson four: The principle aims of revolution..."

As he spoke, his words were being echoed in other centres all over the rebel-held swathe of eastern Zaire. With the war against President Mobutu's government going all the rebels' way, their alliance of democratic forces for the liberation of Congo-Zaire has launched a series of "transformation" seminars to "re-ideologise" some of the most brutalised, downtrodden and cynical people in Africa, and possibly on the planet. After 10 lessons - voluntary, the rebels insist - candidates will be evaluated on their ideological correctness and the best pupils may then be hired as public servants.

For a movement that professes to believe in the free market, and which enjoys tacit diplomatic support from the United States, the choice of Marxist teaching material might seem a little strange.

The rebels are now poised to destroy Mr Mobutu's regime, but nobody yet knows what they will put in its place. After three decades of what one Western observer called "kleptocracy" - rule by thieves - many Zaireans believe that anything will be better than the devil they know.

With the war still on, the rebels' future agenda remains vague. Originally as a revolt by persecuted ethnic Tutsis in the Kivu region, the rebel movement has broadened its support to include members of ethnic groups from all over Zaire.

Veteran Marxist bush-fighters like the rebel leader Laurent Kabila (a one-time comrade of Che Guevara, the legendary revolutionary) have been joined by

committed free-marketiers like the finance minister Mawampanga Mwana Nanga, who spent 10 years in the US and who holds a doctorate in agricultural economics from the University of Kentucky.

The alliance is also strongly influenced by the governments of Rwanda and Uganda, whom Kinshasa has accused of fomenting the rebellion and even of supplying troops and weapons. With so many different agendas at work, the only thing that unites everybody is a desire to get rid of Mr Mobutu.

6 I lived for two years in Kinshasa under Mobutu and was expelled three times, but it was never as bad as this

tu, generally regarded as a rotten neighbour and a worse president.

Louis Hamuli, a rebel spokesman, admitted that, until the war is won, little priority can be given to planning the future. The programme so far is vague and aspirational: An end to corruption, a new constitution, reconstruction, eventual elections, and respect for human rights. "In principle the programme of government has not been decided," he said. "It is for the people to decide after the war." He laughed off the suggestion that his government is pushing Marxist doctrine which has long passed its sell-by date, even in Africa. "We want a society that looks after all the people," he said.

"For more than 30 years we had a dictatorial regime, with no political agenda or social programmes, and the population's ideology was damaged. We now need to transform [this] to create a new country, to transform what was deformed."

But with corruption deeply ingrained in its society, Mr Kabila's Congo republic - he has reinstated the name of the leftish post-colonial state in the territory under his control - will have to police itself tightly if it is to prove any better than Mr Mobutu's Zaire.

Since the rebels took over last November, the Rwanda-Zaire border post in Goma - a useful barometer of local corruption - has become more expensive and more hostile than ever. Last Saturday, child-soldiers manned the barrier on the Zaire-Congo side - strutting back and forth with pecked sticks and AK47s, harassing and at times beating a group of local women returning from a market in neighbouring Rwanda. They were unfazed by the presence of foreign journalists.

Inside the immigration office the officials exacted an astonishing \$700 (£440) for allowing a laptop computer and a television camera to enter the country. The information and finance ministries later admitted that no such "tax" has ever been authorised.

They blame the corruption on officials still in place from the Mobutu regime, but journalists have taken no action against the officials concerned and have made no attempt to refund the money. One French reporter fumed: "I lived for two years in Kinshasa under Mobutu and was expelled three times, but it was never as bad as this. You could always make a telephone call and sort things out."

The Information Ministry has taken over Radio Star of Goma and renamed it "The voice of the people", broadcasting round-the-clock praise of the alliance's heroic troops, and denunciations of the "sanguinary enemy".

Newspapers are censored. People in the street lower their voices and look carefully around when asked for their opinion of the rebels. Most say they know there is a war on and are willing to make sacrifices in the hope of a brighter future, but others complain about commandeered cars and houses, and high "import taxes" for food and drugs purchased in the well-



Gun power: Rebel soldiers patrolling the streets of Bukavu, Zaire. Photograph: Reuters

stocked markets of Rwanda. "They say they have come to reconstruct Zaire," said one Goma native. "We will wait and see if this is the case."

■ Kinshasa (AP) - Zaire's prime minister returned home from a crisis meeting in Kenya yesterday to face a parliament

that claims to have ousted him and a popular opposition leader who intends to replace him. Parliament voted to sack Leon Kengo Wa Dondo on Tuesday, but spokesmen for the Mobutu regime have said the vote fell short of a constitutional requirement. Supporters of Etienne Tshisekedi, opposition leader and long-time Mobutu foe, said that Mr Tshisekedi should take over the government and open talks with the rebels. Mr Tshisekedi was elected prime minister by parliament in 1992 but Mr Mobutu refused to confirm him as premier.

significant shorts

Thieves of time show refined taste

Thieves have given a new meaning to the adage that time is money, with the theft of 1,600 Swatch watches dating back to Swatch's earliest days, in 1983.

Nearly 2,000 of the chic functional watches have been travelling the world as part of a touring Swatch museum. A sealed container of them, valued at £200,000, was unloaded last week in the Cyprus port of Limassol. Yesterday, however, the display cases were found to be almost empty. A Swatch spokeswoman described the loss as "extremely distressing". Perhaps most distressing of all for the manufacturers is that one watch has been left behind. It may have failed to meet the thieves' exacting street-fashion standards.

Alice Lagnado

India lowers barriers

India announced it would ease travel restrictions for Pakistanis, as the two hostile neighbours prepared to resume official talks after three years. Pakistani tourists will be allowed to visit India in groups and Pakistani businessmen can apply for one-year visas. AP - New Delhi

Capital punishment ban

Poland's Parliament approved a new penal code, replacing capital punishment with life imprisonment, bringing the country in line the European Union. AP - Warsaw

Asylum offered in Peru siege

Cuba confirmed that it had accepted a formal request from Japan to grant asylum to Peruvian Marxist rebels holding 72 hostages at the Japanese ambassador's home in Lima if there was a negotiated settlement to the 93-day crisis. Reuters - Havana

Violence in Gdansk

Poland's Prime Minister, Włodzimierz Cimoszewicz, accused Solidarity of trying to lead the country into anarchy as demonstrators threw Molotov cocktails, paint and rocks in protest at the closure of the Gdansk shipyard. AP - Warsaw

UN approves all-Africa force

United Nations Secretary-General Kofi Annan endorsed a United States proposal for an all-Africa military force to respond to crises on the continent. "I think the ... scheme ... could be very helpful for the continent," he said after meeting President Nelson Mandela. AP - Cape Town

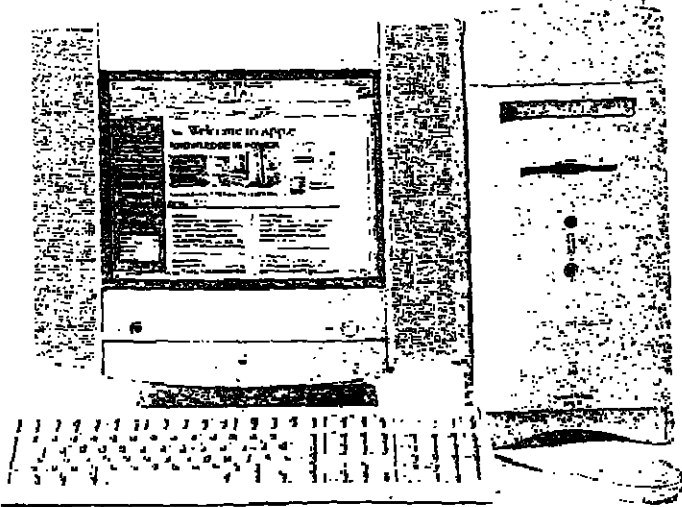
Hussein harsh on army

King Hussein said that a Jordanian soldier's killing of seven Israeli schoolgirls was "a mark of shame" on the army. In a letter to heads of security departments, he also said that the soldiers' comrades should have moved to "kill him immediately". AP - Amman

Something for the year, sir?

Belgians are the least frequent users of condoms in Europe, according to a survey published by Durex. They said 14.5 million condoms were sold in Belgium in 1996 - an average of just over three per sexually active person per year, compared with 5.5 in France, 7.0 in Britain and 10.3 in Spain. Reuters - Brussels

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| CATEGORY | NO. OF WINNERS | AMOUNT FOR EACH WINNER | TOTAL EACH TIER |
|-------------------------|----------------|------------------------|-----------------|
| Match 6 (Jackpot) | 0 | | £4,004,305 |
| Match 5 plus bonus ball | 8 | £194,011 | £1,232,088 |
| Match 5 | 295 | £2,610 | £769,950 |
| Match 4 | 20,154 | £84 | £1,692,936 |
| Match 3 | 428,770 | £10 | £4,287,700 |
| TOTALS | 449,227 | | £11,988,979 |

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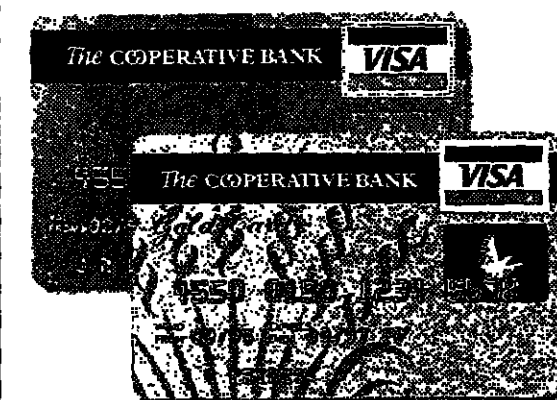
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PLAY FANTASY POLITICS.



ANDREW NEIL, HEAD OF PRIME MINISTER BLAIR'S POLICY UNIT.

New Statesman
WHAT'S GOING ON

CONTRIBUTORS THIS WEEK: BRIAN ENO, FAY WELDON, WILL SELF, IAN JACK, DEB WILSON, JOHN LLOYD, JOHN HUMPHRIES, MARY RIDEHALGH, SIMON HEFFER, £1.90 OUT NOW.

obituaries / gazette

Willem de Kooning

The death of Willem de Kooning at the great age of 92, after suffering from the deprivations of Alzheimer's disease for more than a decade, severs our last link with that heroic and wholly innovative era of painting in the United States which flourished for a quarter of a century from the mid-1940s onward, loosely and variously bound by the principles of abstract expressionism.

This is not to say that distinguished and challenging painting in one mode or another has not appeared in the US from time to time since that period. But 50 years ago, with his friends Jackson Pollock, Mark Rothko, Franz Kline, Clifford Still and Barnett Newman, de Kooning radically modified our idea of art by transforming our expectations of painting, and thus changed forever our habitual sense of what a painting should look like — a climactic moment, universally experienced, in the evolution of art in this century, comparable to the arrival of cubism in Paris 40 years earlier.

The impact of abstract expressionism on artists and the art public in Europe in the late Fifties and Sixties was dramatic and decisive. Nobody around at the time can forget the sheer excitement, the visual panache, of those first big shows in London at the Whitechapel Gallery of Pollock, Kline, Rothko, Mark Tobey — a founding figure for the new language but too often overlooked today — Philip Guston and others from 1958 on, together with "The New American Painting" show at the Tate. Of all these artists, Pollock probably made the most radical contribution to art since Picasso because of his entirely new and original approach to the very act of painting which was indivisible from the nature of his imagery. Nobody had thrown, splattered or poured, dripped or dribbled paint on to a canvas laid flat on the floor before and if this action initially aroused derision, the fine-spun delicacy and radiance, the sheer verve, of the resultant images quickly converted the spectator.

But Pollock died tragically young and his comparatively short lifespan of work has to be seen as a lyrical outpouring of exceptional force and intensity.

And his art, in particular, like the more extended flow of equally abstract imagery from the longer-lived Rothko, appeared to close down the possibilities for painting rather than extend them, to exist as an impenetrably grand and sumptuous finality rather than extending a bridge for other artists to explore and cross. Some kinds of art leave everything open for others to follow, other kinds close everything off. It is a fundamental difference between the open art of Robert Rauschenberg and the closed discretions of Jasper Johns.

It was left to de Kooning to give an almost physical reassurance, and an imaginative sense of a possible future to younger painters in Europe and America in the late Fifties, when many artists were seeking out ways of sustaining the validity of figurative painting at a time when abstract imagery of all kinds seemed to be so strongly in the ascendant. Between the polarities of Dubuffet's sophisticated infantilism and de Staël's late, effulgent Fauve manner, figurative painting was debilitated and lost, lacking in credibility. Bacon in England was another impossible act to follow.

De Kooning not only restored credibility to figurative art but gave it a fresh currency. In this he was not quite alone: Guston also gave hope to many figurative painters through the series of big semi-abstract still life paintings and interiors of c1959-62. But de Kooning swept the boards through the sheer force of the new synthesis at white heat that he created between the subject of the painting — which Pollock had surmounted or lost — and the anarchic bravura of its execution.

Reluctant at first to believe that de Kooning was not too strongly rooted in the 19th century — because my perceived role at the Whitechapel in the Fifties and Sixties was to try to help the English public, visually backward at the time, to see and understand the different phases of abstract art from Malevich and Mondrian on — I was totally converted by his 1959 show in New York at the Sidney Janis Gallery, of blazing, light-drenched landscape canvases, based on the fields and dunes



Elaine and Willem de Kooning with one of his magnificently frenetic paintings of women, 1953 Photograph: Abbeville Press / John Murray

around the coastline of the Hamptons where de Kooning had acquired a studio. This was landscape seen, felt, experienced in a new way, in vehemently focussed close-up so that sea, sky and vegetation make a new, taut drama, expressed through broadly slashed brushstrokes and thick gleaming pigment.

I was still too young to see that the earlier and magnifi-

cantly frenetic and repellent paintings of women, which seemed excessively grotesque, like bashed dolls, were not really paintings of women so much as what happens to women: what men do to women and what women do to themselves in the hysteria of the pop performance world, fashion, eros and self-travesty, all plainly visible in Manhattan.

De Kooning's most perfect-

ly beautiful paintings, perhaps, came even earlier, in the late Forties when he had been concerned with the city as an experience as well as with the human figure, with which he often had odd difficulties, and made some kind of fusion between the two themes, resulting in a sequence of miraculously "occupied" canvases, free of the human figure but alert, bristling with its presence. *Excavation*,

1950 (Art Institute of Chicago), *Asheville*, 1949 (The Phillips Collection, Washington), *Attic*, 1949 (Metropolitan Museum of Art), *Painting*, 1948 (Museum of Modern Art, New York) and *Light in August*, 1946 (Tehran Museum of Contemporary Art) are among the most poetically charged and original paintings of the century, almost abstract but alive with human traceries. There is no doubt in my mind

that de Kooning's art as a whole will still be as highly regarded at the end of the next century as it is today, although I do not see much merit in his sculpture. Time will tell.

A man of great charm, humour, zest for life and total privacy, very much the artist as gregarious loner, de Kooning was born in 1904 in Rotterdam to parents who divorced when he was five; his custody was given to the father, but his mother, who owned a bar, successfully appealed against the decision and brought him up. Apprenticed to a commercial art firm, the young de Kooning attended night classes at the Rotterdam Academy, won awards, began to travel, and supported himself by sign-painting, cartoons, and designing window displays. He emigrated to the United States in 1926, illegally, planning to work as a commercial artist.

He lived in great poverty throughout the later Twenties and Thirties, gradually establishing contact with the art of his time. His early friendships with fellow artists Stuart Davis and Arshile Gorky were extremely important, and there are many shared preoccupations with line, for a time, in the paintings of de Kooning and Gorky. Edwin Denby, the legendary dance critic, and Harold Rosenberg were also among his friends in the Thirties. Tom Hess, the critic and dashing associate editor of *Art News*, was a later friend and exponent.

But it was Franz Kline, blessed with a charm, grace, intelligence and wit which more than matched de Kooning's, who became his closest friend from c1939 on. Following Gorky's suicide in 1948, Kline and de Kooning drew even closer together, united by wit, a passion for girls and a love of drink. All this was tough going for visitors: Kline's favourite meeting time in his favourite bar being 11pm, after his late-starting working day was over. By then, de Kooning had married Elaine Fried, a New York painter of considerable style and intelligence who devoted herself to de Kooning's success and wellbeing. But in 1956, Kline and de Kooning were exchanging girlfriends turn and turn about with such alternating regularity that it seemed almost like

a form of homosexuality by proxy.

Backed by all his fellow artists, including Duchamp, de Kooning was achieving some success by the early Fifties, though hardly riches. His first series of "Women", exhibited in 1953, brought him notoriety, but also a broader reputation. In 1963, he moved out of New York City to a permanent new home and studio at the Springs, in the Hamptons, not far from the studios of his friends Jackson Pollock and Lee Krasner. De Kooning's studio in its heyday seemed almost like the crowded dock of an affluent boat-builder.

There is no doubt that the large Soutine retrospective held at New York's Museum of Modern Art in 1950 had as cathartic an effect on de Kooning's vision as Picasso and Gorky had in earlier years. De Kooning gave a new and personal dimension to expressionism and to the intensely "inhabited" or psychologically intensified view of landscape and the figure painting which Soutine, one of the greatest figures in the art of the 20th century, established and developed. But emigre that he was, with a Northern sense of colour and ironic view of life perhaps inherited from his homeland, de Kooning brought a New World brash sensitivity to bear on his personal development from Picasso and Soutine, and perfected a richly hectic sense of colour that does a great deal to accelerate and to assuage the rush to our nerve-endings that the finest painting by de Kooning always detonates.

His peak was reached by 1980, and by then he had created a magisterial body of work, sensuous, always questioning and probing, always saying something however obliquely about the human condition, the business of being alive, all set out in an exemplary exhibition two years ago at the Tate Gallery, memorably hung by Nicholas Serota and David Sylvester, one of de Kooning's earliest and best champions in Europe.

Bryan Robertson

Willem de Kooning, artist; born Rotterdam 24 April 1904; married 1943 Elaine Fried (died 1989; one daughter); died East Hampton, New York 19 March 1997.

Mikhail Voslensky

Mikhail Voslensky single-handedly put the word *nomenklatura* into Western languages as he revealed and explained the powerful network of corrupt, power-hungry party officials who ran the Soviet Union in their own interest.

"The *nomenklatura* is a class of privileged exploiters. It acquired wealth from power, not power from wealth," he wrote. "The domestic policy of the *nomenklatura* class is to consolidate its dictatorial power, and its foreign policy is to extend it to the whole world." The Yugoslav dissident Milovan Djilas, whose 1957 book *The New Class* had first put the privileges of the Communist elite on the agenda, was enthusiastic about the "extraordinary qualities" of Voslensky's work. That he, like Djilas, had initially been part of this system did not undermine his authority; indeed, he was able to incorporate information and insights from his own experience into his published works.

Voslensky was born in

Burdiansk on the Azov Sea in 1920, the son of an economist and a teacher. He studied in Moscow at the Lomonosov University during the difficult conditions of the Second World War, graduating in 1944. He then entered the State Pedagogical Institute there for further studies, eventually gaining a PhD in history in 1965 (he later gained other graduate degrees from the Foreign Ministry Institute of International Relations in Moscow and the GDR Academy of State and Law in Potsdam). His study was interrupted by a spell in Nuremberg as a translator at the War Crimes Tribunal, and later on the staff of the Allied Control Council for Germany.

From 1948 he was an editor at the Soviet Information Bureau in Moscow, followed by a year each in Prague on the World Peace Council and in Vienna as deputy head of the information service. In 1955 he returned to Moscow to join the Soviet Academy of Sciences as a researcher, a post he held un-

til 1972. From 1965 he was also academic secretary of the Commission on the Scientific Problems of Disarmament. From 1968 he was a member of the Soviet Pugwash Committee and from 1969 a member of the social sciences committee of the Soviet UNESCO Commission. Added to these posts in 1970 was the vice-chairmanship of the Historians' Commission of the USSR and the GDR and in 1971 membership of the Soviet Committee for Security and Co-operation in Europe. Between 1954 and 1968 he published four books on Germany's international relations and also taught history at Lomonosov University in Moscow.

This successful, but mind-numbing crawl up the Soviet bureaucratic ladder came to an abrupt end in 1972 when, while a guest lecturer at Linz University, the Soviet authorities refused to grant him an extension to his sabbatical and he decided to defect. In the West he put to good use in the academic world his unrivalled knowledge

of the inner workings of the bureaucracy and contacts with the privileged class that ran the Soviet Union. He lectured at various universities in Austria and West Germany and in 1980 published in German his main book, *Nomenklatura: the Soviet ruling class*, which was later translated into 14 languages (including an updated English version in 1984). From 1981 he headed the Institute for Contemporary Soviet Research in Munich.

In the wake of his defection Voslensky took on Austrian citizenship. He later claimed that the Soviet authorities were so alarmed at the prospect he would reveal his knowledge of the system that agents had tried to kidnap him. In 1977 he was stripped of Soviet citizenship, a decision that was only revoked under Mikhail Gorbachev. In 1990 he published a revised version of his *Nomenklatura* book and the following year it was published for the first time in Moscow. Voslensky never gave

up his research. When the Soviet archives were opened he started burrowing there, publishing in 1995 *New Secrets of the Nomenklatura*, focusing on the last few years of the Soviet Union's existence.

Voslensky was proud that his writing had brought a realistic approach to Soviet politics and study of its power structure. If his interest in the *nomenklatura* was too much of an obsession and his depiction of the elite was rather too simplistic, his views were tempered by his modest manner and corrosive humour. He had no heroes (although he was a vigorous supporter of the anti-Soviet mujahedin in Afghanistan). His knowledge of the Soviet system from the inside allowed him to attack it at what he believed was its weakest point.

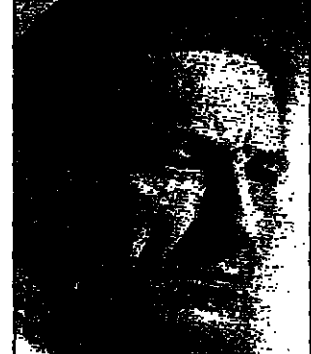
Felix Corley

Mikhail Sergeyevich Voslensky, historian; born Burdiansk, Ukraine 6 December 1920; died 8 February 1997.

Gethyn Stoodley Thomas

Gethyn Stoodley Thomas was one of Wales's best known television film-makers, contributing to a tradition of documentary film-making firmly rooted in the BBC's Welsh operation. He worked for the corporation for 30 years — in Belfast and London as well as Cardiff, to which he returned in 1959 despite efforts to keep him in London.

He began in 1950 as a radio producer for the BBC in Northern Ireland and was one of the first broadcasters to switch to television. In London, from 1957 he was the producer of the acclaimed *Tonight* current affairs programme where his chief was Donald Baverstock and his assistant producer Alasdair Milne, who later became the BBC's director-general. Back in his native Wales a string of documentaries marked him out as a film-maker *par excellence*. They included *The Fire and the Fountain* (1975), a vivid portrait of the artists Augustus John and his sister Gwen, and *A Love Affair With Life* (1969), which brought to the screen Sir



Stoodley Thomas: documentaries

Clough Williams-Ellis, the creator of the Italianate Welsh village Port Meirion. His much praised series on the history of the Rhondda, *The Long Street* (1965), is an important record of industrial south Wales which today has changed almost beyond recognition. *Towers Out of Time* (1970) paid tribute to the 19th-century architect William Burges who renovated Cardiff Castle and reconstructed Castell Coch (Red Castle), a

medieval fantasy perched above the M4 a couple of miles north of the Welsh capital. One of his inspirations, the series *Songs of Praise*, still draws a faithful BBC1 audience on Sunday evenings 36 years on.

The son of a Pontypridd butcher, Stoodley Thomas was educated at Maesteg Grammar School and London University, graduating at University College Cardiff in Botany and Zoology in 1936. During the Second World War he served with the Royal Navy. After the war he taught in Cardiff and in his spare time wrote extensively for radio — an activity which paved the way for a long and fruitful career at the BBC.

When he retired some 20 years ago he became television critic at the *Western Mail*.

Tony Heath

Gethyn Stoodley Thomas, film maker and producer; born Pontypridd, Glamorgan 11 October 1912; married 1942 Phyllis Evans (one son, two daughters); died Cardiff 18 March 1997.

Births, Marriages & Deaths

DEATHS

DUNCAN George, judge, 101, in Tours, France, 19 February 1997. The funeral took place in Tours. He is greatly missed by all his family, since even in his absence, his strength and conviction continue to support them. A memorial service has been arranged to celebrate and give thanks for his life.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding announcements, In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1, Cannon Square, Canary Wharf, London E14 3DL. Telephone 0171-383 2011 (24-hour answering machine 0171-293 2012) or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra).

ROYAL ENGAGEMENTS

The Queen carries out engagements in the City of Nottingham, which celebrates its centenary this year, and elsewhere, in the County of Nottinghamshire. The Prince of Wales, on behalf of the Queen, will attend a reception at Nottingham Palace, and a presentation to the Nottinghamshire and Lincolnshire Regiment at the Nottingham City Hall. The Duke of York will visit the Duke of York's School, and the Duke of Gloucester will visit the Duke of Gloucester's School.

Changing of the Guard
The Household Cavalry Mounted Regiment will march to the Queen's Life Guard at Horse Guards, 1pm.

Birthdays

Lord Boston of Faversham, QC, former chairman, TVS Entertainment, 67; Mr Peter Brook, theatrical producer, 72; Dr Clive Brundin, President, Templeton College, Oxford, 66; Mr Brian Clough, former football manager, 62; Mrs Ann Choydell, 60; Mr Timothy Dalton, actor, 51; Miss Owen Davies, former Headmistress, St Withun's School, Winchester, 75; Mrs Lisa Golding MP, 45; Professor Richard Hare, former Professor of Moral Philosophy, Oxford University, 78; Mr David Heathcoat-Amory MP, 48; Mr Michael Heseltine MP, First Secretary of State and Deputy Prime Minister, 64; Mr Antony Hopkins, composer and conductor, 70; Mr Frederic Horne, former Chief Tating Master of the Supreme Court, 60; Sir Peter Main, former chairman of Boots, 72; Mr Ved Mehra, writer and journalist, 63; Baroness Nicol, Opposition spokeswoman on green issues in the House of Lords, 74; Lord Oaksey, racing journalist and television commentator, 68; Sir John Palmer, former president of the Law Society, 77; Sir Brian Shaw, chairman, Port of London Authority and of the Automobile Association, 64; The Earl of Swinton, former Chief Government Whip, 60; Maj-Gen Sir John Swinton, Lord-Lieutenant of Berkshire, 72; Mr Roger Whitaker, singer, 61; Professor Roger Williams, Vice-Chancellor, Reading University, 55; Lord Wilson of Langside QC, former Lord Advocate, 81.

Anniversaries

Births: Johann Sebastian Bach, composer, 1685; Claude-Nicolas Ledoux, architect, 1736; Thomas John D'Almeida, songwriter, 1771; Dorothy Beale, educationalist, 1831; Modest

Petrovich Mussorgsky, composer, 1839; Adolf Bruckner, 1878; Florence Ziegfeld, stage producer, 1869; Sir Bernard Cyril Fry, first Baron Fry, Governor-General of New Zealand, 1889; Geoffrey Dearmer, poet, 1896; Deaths: Thomas Cranmer, Archbishop of Canterbury, burned at the stake, 1535; John Law, financier and speculator, 1729; Louis-Antoine Henri de Bourbon Condé, Duc d'Enghien, executed, 1804; The Rev William Scoresby, Arctic explorer, 1857; Harry H. Corbett, actor, 1982; Sir Michael Seadmont Redgrave, actor, 1988; Robert Preston (Mercury), actor, 1987. On this day the coronation of King Henry V of England took place, 1413; the Scottish National Gallery in Edinburgh was opened, 1859; the Tsar and Tsarina of Russia were arrested by the revolutionaries, 1917; Waterloo Station, London, was opened, 1922; the London Planetarium opened, 1958; in South Africa, many African demonstrators at Sharpeville were shot, 1960; the musical show *Hallelujah* was first produced, London, 1963; Martin Luther King led a civil rights march, starting at Selma, Alabama, United States, 1965; John Stonehouse, former government minister, was arrested in Australia on an extradition warrant alleging fraud and theft, 1975; Namibia, formerly known as South West Africa, became independent, 1990. Today is the Feast Day of St Ender, St Fincheu and St Seraphin of Thimist.

Victoria and Albert Museum: Kate McClellan, "Pop to Post-Modernism", 2.30pm.

Appointments

Mr David Wright, to be Ambassador to the State of Qatar.
Mrs Margaret Rothwell, to be Ambassador (non-resident) to the Republic of Liberia.
Mr David Sorell, to be Ambassador (non-resident) to the Republic of Cape Verde and the Republic of Mali.
Mr James Daly, to be British High Commissioner to the Republic of Mauritius.

Dr John Freeman, to be UN Permanent Representative to the International Atomic Energy Agency, to the UN Industrial Development Organisation and to other UN organisations at Vienna, with the personal rank of Ambassador.
Mr Christopher Ian McGonigal, to be a Circuit Judge, on the North Eastern Circuit.
Judge Geoffrey Evans, to be President of the Association of District Judges.
Mr W.R.A. Ross, to be Secretary and Keeper of the Records of the Duchy of Cornwall.

Mr Stephen Layton, to be Organist and Director of the Choir of the Temple Church.

Synagogue services

Details of synagogue services to be held tomorrow may be obtained by telephoning the following: Sabbath begins in London at 6.01pm.
United Synagogues: 0181-343 8989, Federation of Synagogues: 0181-202 2263, Union of Liberal and Progressive Synagogues: 0171-880 1663, Reform Synagogues of Great Britain: 0191-349 4731, Spanish and Portuguese Jews Synagogue: 011-269 2573, New London Synagogue (Shasvitz): 0171-328 1026.

New court fees denied access to justice

LAW REPORT

20 March 1997

Regina v Lord Chancellor, ex parte Witham Queen's Bench Divisional Court (Lord Justice Rose, Mr Justice Laws) 7 March 1997

The Lord Chancellor had no power under existing legislation to prescribe court fees in such a way as to deprive a citizen of his constitutional right of access to the courts.

The Queen's Bench Divisional Court granted an application for judicial review against the Lord Chancellor, Lord Mackay of Clashfern, and declared article 3 of the Supreme Court Fees (Amendment) Order 1996 (SI 3191), which came into force on 15 January 1997, to be ultra vires and unlawful in so far as its effect was to deny the applicant his constitutional right of access to the court.

The applicant, who was on income support, wished to bring proceedings in person for defamation, for which legal aid is not available. The 1996 Order increased to £120 the fee for issuing a writ for claims less than £10,000 and to £500 for claims without a monetary limit. There was no exemption for litigants, such as the applicant, who could not afford the fees.

Article 3 of the 1996 Order repealed provisions in article 5(1) and (3) of the Supreme

Court Fees Order 1980 (SI 821) which had relieved litigants in person who were in receipt of income support from the obligation to pay fees and had permitted the Lord Chancellor to reduce or remit the fee in exceptional circumstances on the ground of undue financial hardship.

Peter Duffy (Blinman & Partners) for the applicant; Stephen Richards (Treasury Solicitor) for the Lord Chancellor.

Mr Justice Laws said it was clear that, as a result of the new regime, there was a wide variety of situations in which persons on very low incomes were in practice denied access to the courts to prosecute claims or, in some cases, to resist the effects of claims against them.

The actual or purported fees for the 1996 Order was in violation 130 of the Supreme Court Act 1981. But, it was argued, that did not permit the Lord Chancellor to exercise his power to prescribe court fees in such a way as to deprive the citizen of his constitutional right of access to the courts. Such a constitutional right was said to derive from the common

law and article 6 of the European Convention on Human Rights.

The common law did not generally speak in the language of constitutional rights. In the unwritten legal order of the British state, at a time when common law continued to accord a legislative supremacy to Parliament, a constitutional right could, in his Lordship's judgment, only inhere in the following proposition: that the right in question could not be abrogated by the state save by specific provision in an Act of Parliament, or by regulations whose vires in main legislation specifically conferred the power to abrogate.

General words would not suffice and any such rights would be creatures of the common law, since their existence would not be the consequence of the democratic political process but would be logically prior to it.

The common law provided no lesser protection of the right of access to the courts than might be vindicated by the European Court of Human Rights in Strasbourg. The

House of Lords had held the same to be true in relation to the right of freedom of expression, and the right of access to justice could not be thought a lesser right than that. Indeed, the right to a fair trial, which of necessity imported the right of access to the court, was as near to an absolute right as any which could be envisaged.

To abrogate that right Parliament had to make it plain beyond doubt to the reader of a statute that the provision in question prevented him from going to court, for that was what would be required. Section 130 contained nothing to alert the reader to such a possibility.

In his Lordship's judgment, the effect of the 1996 Order was to bar absolutely many persons from seeking justice from the courts. Access to the courts was a constitutional right: it could only be denied by the government if it persuaded Parliament to pass legislation which specifically, in effect by express provision, permitted the executive to turn people away from the court door.

Paul Magrath, Barrister

* This is the last law report for the Hilary Term. Law reports resume at the beginning of the Easter Term, on 8 April.

One last bad day for a bad Parliament

You have sat here too long for any good you have been doing. Depart, I say, and let us have done with you. In the name of God, go!

The words are Oliver Cromwell's, delivered to the "Rump Parliament" of 1653, but as we watched the final televised session of Prime Minister's Questions for the Parliament of 1992-97 yesterday, they seemed undeniably right. It was a wretched, mean-spirited, navel-gazing disgrace of an exchange. The leader of the Opposition tried to get the Prime Minister to hasten publication of a report on sleaze, which Mr. Blair, hoped would be useful to Labour in the election; Mr. Major responded with his own torrent of bitter counter-accusations. The Prime Minister, as he reminds us in tones of injured innocence, has been smeared during his time in office. Yesterday he reminded the whole country that he too can be a sly and loquacious smearer himself. It was not a pretty sight.

Worse, the exchanges were a fitting end to the Parliament as a whole. The main domestic political events of these years, from the bitter Conservative struggle over European Union, including Major's resignation and retaking of the Tory leadership, to Blair's remarking of Labour, have taken place outside the Chamber and precincts of Westminster. The most memorable quotes and exchanges have occurred in television or radio studios. The most constitutionally significant interventions, though sanctioned by Par-

liament, have been made not by elected Members but by Sir Richard Scott and Lord Nolan. It has been left to the Commons to process legislation, sometimes effectively, and to provide the news bulletins with the pre-digested verbal goblets known as soundbites.

The story of the Commons as an institution in these years has been dominated by "sleaze", a word which has entered the national vocabulary since 1992 with a force and frequency it never had before. Let us enter, at once, all the usual disclaimers and caveats - most MPs are honest, foreigners are mostly worse, and some of the business accusers of politicians are no angels themselves. All that said, the envelope-stuffing tendency has left its imprint on a whole cohort of British politicians. This has been a Conservative problem, partly because the Conservatives have been in power. Labour, belying its reputation as the anti-blood sports party, has careered along behind in gleeful mood. Yet Labour also, with its little local difficulties in Doncaster and elsewhere, and after its national wooing of party-helping business tycoons, has still to prove to the country that all its people would be different.

More important than all that, however, has been the lack, during the 1992-97 Parliament, of the two essential elements in a successful representative democracy - brave leadership and real debate. Leadership has been lacking, in particular, over Europe. The real running

has been made by dissident Tory MPs, whose campaign against the EU and their own Cabinet has been ferociously energetic and breathtakingly successful; and by Thatcherite commentators and editors in the Tory press. They have helped turn public opinion around while the chosen leaders of the Conservative Party, including the Prime Minister, have dithered and prevaricated. Mr. Major's negotiating stance at Maastricht will be remembered as a wise, far-sighted achievement, and a signal service to his country. But retreating, month by month, before a Euro-hostile movement which grew in self-confidence with every backward

step he took was no service. Without one man, Kenneth Clarke, who courageously refused to follow fashion, that retreat would have become a disastrous rout. Nor, if the job of politicians is to challenge public prejudice and offer new visions, has the leadership of New Labour, so far, been hugely impressive. The party modernisers have bravely and ruthlessly saved their own political machine from its own atavistic instincts. But they have not addressed the country so boldly. From social policy to economics, the agenda of the Conservatives has been more echoed than confronted. This, we think, will change if Blair wins on 1 May. Every-

thing will be subtly but essentially altered, and Britain will shift direction. Yet it cannot be said that the Labour front bench led for Britain in any striking way during the Parliament just ending.

What about debate? There are very hard arguments to be had in this country - over the great car culture and the environment; over monetary union; over the clash between individual choice and mass dismay at what science makes possible; over drugs, censorship, violence and how we treat children. Far too few of these, we feel, have raged passionately in the Commons. Our MPs have spoken cautiously, nicely, often to an almost empty chamber, following party lines, and getting truly angry only when their own privileges or honour are under debate. They have been suited careerists, without sufficiently wide ambitions, not conscious enough of their possible leadership role in the Britain of the late Nineties. Earlier this year, some of them were huffing and puffing about the admittedly raucous and sound-bitten Granada television debate on the future of the monarchy. One of the reasons that happened is that they themselves would never have dared to debate such matters. So while we admire many individual MPs, feel affection for others, and recognise a mass of honest and hardworking individuals, we say again, with Oliver - you have sat too long.

Let those who return in a few weeks reflect on the failures of our Parliament. Past. Let them remember that every

cheap, sneering exchange that defaces Prime Minister's Questions lowers the Commons a little further in importance; that even a few, very slightly, corrupt MPs can corrupt the reputation of politics absolutely; and that a chamber which fails to debate the serious things the country is worried about becomes ignored and unreported. Yesterday was a bad day near the end of a Parliament. Away with you all to the hustings - and come back, washed by democracy, cleaner, sharper and - frankly - better than you were.

Life beyond the Internet

Dear a.pupill@gobbedegook.co.uk, welcome to the future. The Internet is it, so log on, get computer literate and become a highly paid, creative info-worker in the 21st century. You won't need books, because you can look up anything you need on the Net, or on a CD-Rom. Fiction? That's all about stuff that didn't really happen, isn't it? Education is a serious matter of preparing our nation to compete in the global economy. Or so it would seem from Tony Blair's plans to give every child their own e-mail address. Of course, we welcome the report commissioned by the shadow Prime Minister. But let's not forget about learning to speak, write and reason.

LETTERS TO THE EDITOR

Now for the West Lothian Answers

Sir: In Andrew Marr's discussion of the devolution question (19 March), as in Robin Cook's recent remarks on the subject, the same automatic dismissal of the possibility of an English assembly appears. No counter-arguments are produced: Andrew Marr merely dubs it "Utopian".

I have an explanation for this absence of argument. To accept an English assembly would be for the first time to acknowledge the equality of Scotland, Wales, and England. It would be to throw off the last imperialist illusion.

I believe as a patriotic Englishman that an English assembly would be a revivifying proposal, which would have the same effect on Wales and Scotland without any danger of sliding into fascist nationalism, since a common valuing of the differences of each would emerge in this late historical admission of equality, this last surrender of old colonialism.

This both solves the West Lothian Question in the very best way and also gets rid of the British Empire at long last. It is that which is still a block to a true valuation and development of our English national culture. It would not break up the United Kingdom. On the contrary, the refusal to countenance equality is what would lead to its collapse. DR EDMOND WRIGHT, Cambridge

Sir: Andrew Marr, for solid reasons, rules out the two most widely canvassed solutions to the West Lothian Question: decreasing the number of Scots MPs and a fully-fledged federal system for the UK. He pins his faith on a reformed electoral system which would reduce the differences between the historic nations of Britain.

This raises the question as to how much of the pressure for devolution for Scotland and Wales actually rises from feelings of suppressed national identity and how much is due to a reaction against the neo-liberal hegemony which has been imposed on the Union lately from a political base heavily biased towards the Home Counties.

If a new, more widely based political consensus was established, whether by electoral reform or by a substantial Labour victory, we might predict that the present salience of the "national question" in British politics would be reduced. This might also open up the possibility of pursuing other options for devolution, such as returning power to cities and regions and revitalisation of local communities through urban neighbourhood and rural parish councils with real powers.

In a few years' time we may view the present high profile of national devolution and its infamous accompanying question as a passing phase - another unwelcome consequence of unbridled laissez-faire. SIMON PARKER, London N2

Opportunity to rethink the NHS

Sir: The consequences of the reduction in the working hours of junior doctors (letters 17, 19 March) deserve further comment. Long hours provided no benefit to training, and the end of this exploitation should be celebrated. However, we are now faced with the problem of service provision.



Although a number of measures to reduce workload have been introduced (for example, increased clerical assistance), the vast majority of the reduction in junior doctor hours has been achieved by an alteration in working practice - "on-call" less frequently but with a much greater patient responsibility. We need more radical solutions if health care is to improve.

(1) An expanded role for nursing staff. This is already happening to a small degree. The reason it is not more widespread is related to monetary considerations and entrenched views. Most of us know that such staff would provide an excellent service to the public, as long as they receive support from medical staff and management.

(2) Re-evaluating the role of the hospital consultant. At present, early assessment of the acutely unwell patient is rarely by the hospital consultant. Are hospital consultants lazy? Certainly not; they are among the hardest-working professionals in our society. Do they dislike patients? Again, certainly not; although some enjoy their detachment from the "coal face", the majority relish patient contact. So what keeps them from the bedside? An increasing amount of their time is dedicated towards improving or even maintaining the service they provide. The reason for this is the system of health service management with which we are now shackled, a management against which consultants are continually battling to hold their corner. Changes in training have provided the opportunity for consultants to be involved in the primary care of patients in hospital. Given support from management and the right

environment, this could be achieved.

Rather than a time of gloom, we are presented with the opportunity to rethink our health service. Maybe in five years' time a sick child presenting to the accident and emergency department will be assessed promptly by a senior doctor and, if admission is necessary, moved quickly to the ward for treatment by a well-trained nurse. Maybe this would even save money! DR KEVIN SOUTHERN, Paediatric Research Fellow, St James's University Hospital, Leeds

High point of the political cycle

Sir: Your choice of the Tour de France as a metaphor for the election campaign (leading article, 18 March) may be more apt than you think. In the 1996 Tour, Miguel Indurain, the five-time winner of the event, predicted that he would win, but was beaten by a fit young upstart. I live in hope. CARLTON REID, Editor, 'Cycle Industry', Newcastle upon Tyne

Sir: Polly Toynbee ("Don't let them tell you it doesn't matter who wins", 18 March) says that when listening to Labour we must "trust that they are lying through their teeth".

This is my father's paradox of Epimenides the Cretan, who said that all Cretans were liars. If he was lying, he was telling the truth; but if he was telling the truth, he was lying. It took my father 10 years to crack this paradox. If Polly Toynbee can do it in less, she is a better philosopher than my father was. EARL RUSSELL, House of Lords, London SW1

Sir: Your article "Movers and shakers line up to support main parties" (18 March) suggested that the Chief Rabbi has given his support to the Labour Party. That is untrue and without foundation. The Chief Rabbi, as a matter of principle, never endorses political parties or leaders and maintains a strict political neutrality. SYMA WEINBERG, Office of the Chief Rabbi, London N12

Sir: Can anyone explain what a soapbox is? I was born in 1909, so have been around for a long time and have never encountered one. Where did John Major get his? JEAN MATHESON, Newark, Nottinghamshire

Sir: The news that a further 2.5 million homes could be able to choose their gas supplier in October ("Long speeds up gas price competition", 18 March) is hailed as a victory for the industry regulator.

All the evidence is that the new gas suppliers in the domestic market are courting predominantly middle- and higher-income homeowners who pay for their fuel by direct debit. Competition is based solely on price, with no evidence of more efficient use of energy, or of action to promote this.

Meanwhile, consumers who use prepayment meters for home heating continue to be denied access to the benefits of competition. They may be predominantly on low incomes and living in the poorest housing, but they do pay in advance for their gas. Yet on average the new gas suppliers charge these people 20 per cent more for their gas than a customer on direct debit (and up to 34 per cent more).

Those who find it hardest to pay are charged the most. This is the unacceptable face of competition. ANDREA COOK, Director, National Energy Action, Newcastle upon Tyne

Dutch secret of economic success

Sir: To my knowledge, Hamish MacRae ("Slimmer governments under pressure to do more with less", 18 March) is the first publicly to identify one of Europe's best-kept secrets: the economic prowess of the Netherlands. It is said to set an example to Germany and France. Why not to the UK? The Netherlands has signed up pragmatically to Maastricht. That also means the Social Chapter - yet

its unemployment is lower than ours (a fact Tory propaganda could never acknowledge).

Even though in general wages are higher there (I envy my opposite number in the Netherlands, who earns at least a third more than I do, while costs and household expenditure are scarcely different), its per capita inward investment is, if not higher than ours, then pretty close to it - something else the Tories carefully conceal from us by concentrating on the inward investment total.

Apart from less dogmatic national management and a decentralised political system, some reasons for the Netherlands' success evident to any visitor are a better-educated population, a sense of citizenship as partnership at all levels of society, and pleasure taken in the present and the potential of the future - all in sharp contrast to what we find in Britain.

Quick - look the other way or we may have to learn a few lessons. RODEN RICHARDSON, London SE7

Quick dap

Sir: "Dap" can also refer to the speed at which a person or object travels - "He went at a good dap". I have never heard it used of dropping crockery, which does not mean that R Pugh (letter, 18 March) is wrong, but I never use "drop" in that context. The correct word is "fall", as in "You mind you don't fall off Mam's best cup when you do do (sic) the dishes". The dialects of South Wales vary greatly over even very short distances. The Very Rev JOHN ROGERS, Llandaff, Cardiff

Nature and the Salisbury bypass

Sir: Your report "Bypass cost to nature is too high" (19 March) suggests that the Highways Agency has backed English Nature in saying that the impacts of the Salisbury bypass are unacceptable high from a nature conservation point of view. That is not so. The Highways Agency has submitted a factual report on various matters referred to it by the Secretaries of State. This includes an appendix a report by English Nature, but the Highways Agency has expressed no opinion on English Nature's views, apart from on purely technical matters.

Copies of the agency's report will now be sent to interested parties to allow them to comment. Sir GEORGE YOUNG, Secretary of State for Transport, Department of Transport, London SW1

Virgin challenge

Sir: Mrs Johnson (letter, 19 March) was told she must not breast-feed her baby while travelling on a British Rail line since taken over by Virgin West Coast. I challenge Richard Branson to become the first rail magnate to introduce a baby-friendly carriage on his trains. Imagine how much easier it would be to travel if children had somewhere appropriate to play and be fed, changed, etc. on long journeys. STEPHEN GRAY, Berwick upon Tweed

Retune your stereotypes

Sir: God spare us Channel 5 returners yet another onslaught from BBC people like Dennis Bardens ("God spare us the Channel 5 returner", 17 March). As everybody knows, we take pride and delight in insulting your family, disrupting your video and smashing your ornaments, leaving you without television, food, shelter or hope for months on end.

It might be nice to hear of the millions of returnees carried out without incident, bringing a new channel at no cost. It would be nicer still to read of the countless unofficial favours performed, resolving minor reception problems or demystifying the instruction book for customers. How many viewers enjoy better reception of Channel 4 or BBC South following my visit is anybody's guess, but they must number hundreds by now.

But no, all we get is constant grief. With monotonous regularity I get called out to people intent on blaming Channel 5 and me personally for every bit of atmospheric, every unsuppressed car that drives past, or their own inability to set the video timer. MARK PARKER, Maidenhead, Berkshire

Sir: Dennis Bardens was most unfortunate with his Channel 5 returner. My returner was courteous, efficient and speedy. None of the equipment was damaged and there was no interference on any channel - except Channel 5, which looks like coloured corduroy. But who cares? The programme previews accompanying the test transmission don't tempt me anyway! JOHN HAMPSON, Thirk, North Yorkshire

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essay

Believe it or not, people in this country do still make things. Why? Because they're mad. Jonathan Glancey fills up his Jaguar and goes in search of what's left of British excellence

The Great Western Designer Outlet Village opens this week. It replaces Swindon railway works, which for more than a century built some of Britain's finest locomotives – Cities, Saints, Stars, Halls, Manors, Granges, Castles, Kings – and was a world-famous centre of British engineering and workmanship. Swindon's transformation is a paradigm of the decline and fall of traditional British manufacturing, and the Great Western Designer Outlet Village a mirror in which we see reflected the inexorable rise of a nation of incurable shopaholics.

Manufacturing accounts for just 20 per cent of the British economy's output in 1997. Perhaps this suits us well; perhaps those 150 years during which Britain was the workshop of the world were no more and no less than a polluted hillcock on the historical landscape. How much nicer the countryside is becoming now that so many of our clothes are made in sweatshops in India, the Philippines and Central America, and our cars in Japan, Korea and Malaysia. We like to consume, not to make. We are increasingly a nation of couch potatoes rather than a workshop of active producers.

This year, Brush Electrical Machinery of Loughborough will make a handful of locomotives for the Channel Tunnel's Le Shuttle car-ferry service, but the only important order for main-line locomotives in Britain is one from Wisconsin Central, the US railroad corporation that, since the privatisation of British Railways, runs our national rail freight network. The 250 diesel-electrics are to be made by General Motors in Ontario.

There is just one other main-line locomotive – Tornado –

under construction, in Doncaster, birthplace of Mallard and The Flying Scotsman. Tornado is an exact replica of a 1948 A1 Pacific, a 100mph, 3,000hp express passenger steam locomotive which will earn its keep pulling enthusiasts' specials. Its construction is symbolic of contemporary British attitudes to heavy engineering. We think it outdated, the stuff of museums and theme-park displays.

The country that invented the railway locomotive has all but abandoned it. And manufacturing along the way: do we want to make anything in 1997 that requires physical effort, oily hands and the desecration of what could be cosy countryside? In his provocative book *English Culture and the Decline of the Industrial Spirit* (Penguin, 1981) Martin Wiener, an American historian, argued that an obsession with social betterment and snobbery sapped Britain's industrial vigour. The children of industrial magnates were packed off to public schools, had the classics beaten into them, built

country houses and idled their lives away chasing foxes and passing the port. Today, few pukka middle-class graduates venture into industry. For many, their dream is a well-paid job doing something "creative", a fashionable flat in town and a super place in the country to play later-day mildreds and ladies. They are the pages of *Country Life* come to life.

With these reflections in mind, I decided to find out why anyone could still be bothered to manufacture anything that could be called industrial, when the world of arts, culture, property, leisure and financial services beckon with their promise of social prestige, easy money and manicured hands. So I filled up the twin tanks of my V12 Jaguar Sovereign – a car built on the scale of a locomotive during Jaguar's brief spell of independence between the dead hand of British Leyland and the vital grip of Ford – and set out in search of what remains of our industrial landscape. This took me along highways and byways lined with the visually obnoxious effluence of

post-industrialism: superstores, DIY centres, "country clubs" (whatever they are), leisure centres, motorway service stations, business parks, ostrich farms, insidious estates of executive homes (estates in ex-cis), to Canterbury, Wimbledon, Malmesbury, Llanwrthwl, Derby and Doncaster.

In these towns I talked to men and women who tan and cut leather, craft sports cars, extrude steel and set the world's finest aero-engines whirling into life. Stiff and suspicious at first, they wanted to talk statistics, investment strategies, marketing initiatives, and arcane MBA management stuff, but what I wanted to know, and finally got from them, is why they continued to go to so much bother to make things in noisy factories for relatively little profit when they should be, if the Wiener theory holds up, riding to hounds or dabbling in the arts.

"I actually quite enjoy what we're doing," says a tentative Joseph Connolly, managing director of Connolly Leather, supplier of seat covers to Jaguar, and to hansom cabs, gigs and broughams before the carriage went horseless.

Quite enjoy running a tannery in Canterbury and a leather works in Wimbledon in the face of stampeding foreign competition? Come, come Mr Connolly.

"Well, I certainly don't want to be the member of the family who closes down the business father and grandfather fought for. Father died of a heart attack right here in the factory. Can't let him down, can I?"

Yes, he can. Sir John Betjeman famously turned his back on the family firm, Betjeman &

Co, which made cabinets and costly gawags for Aspreys. The decision broke his father's heart. It also produced a future poet laureate and one of Britain's best-loved authors. *Portrait of a Draftee*, a poem in memory of the father he spurned, was one of the best things Betjeman wrote.

I turn to Joseph's younger brother and fellow director, Tim, and ask him the same question. "These are tremendously challenging times for us. No more cosy contracts with old pals in the motor industry the business grew up with. We're out to prove that a British family business can become a global supplier in an increasingly competitive market. Wimbledon is our base, but we've set up joint ventures in the US and Argentina and factories in Singapore and Melbourne..."

Tim Connolly's enthusiasm begins to ignite and accelerate through the emotional gears. It's Joseph and Tim's brother-in-law, Anthony Hussey, who finally says what no-nonsense, lantern-jawed business executives are not meant to say.

"Let's face it, Jonathan, the reason we make things when we could be investing elsewhere or enjoying an easy life is because we're mad. Nuts. Barking. In a good year, we're lucky to make 5 per cent profit on a £35m turnover. If we chose to commit ourselves to the luxury goods business, for example, we'd be looking at easier money. Look at Louis Vuitton (the French company famous for its artfully monogrammed luggage); their profit on £960m turnover is, I think I'm right, £443m."

That's it. While there are fewer and more delightful businessmen than the Connolly

clan, it is ultimately their love of making things and proving that there is a market for the things they make that drives them on. "That," says Hussey, "and the fear of boredom."

"We might be mad," says Joseph Connolly, "but I can't help feeling that making things is good for the economy in the long run. It underpins an otherwise precarious set-up based on financial services and other intangibles. Manufacturing helps an economy weather storms. Even the Swiss are keen manufacturers."

Charles and Peter Morgan, makers of the famous and perversely old-fashioned sports car that bears their family name (in wings on long, louvred bonnets) have been weathering storms for decades. The business was set up by Peter's father, HFS Morgan, in 1909. It moved to its present rambling home in clear sight of the Malvern Hills in the Twenties. Despite the famous storm warnings announced by Sir John Harvey-Jones, former chairman of ICI and television's business *Trouble Shooter*, Morgan's archaic methods of manufacturing continue to pay off. Morgan builds and sells 500 cars a year, and there is never less than a four-year waiting list for these characteristic and characterful timber-framed, timber-floored machines. The company employs 135 people, exactly 100 of whom make cars – carpenters, panel-beaters, seamstresses – clattering away in a rambling row of brick and tin sheds. Staff turnover is a meaningless concept.

"We have a good old barney over pay once a year," says

Peter Morgan, retired MD unmovable from his desk, "but we all enjoy making the cars, and that's what counts."

"It certainly is," says Charles, former ITV cameraman and sports-car racing driver. "I gave up with telly. It was thrilling filming under fire in Afghanistan during the Soviet invasion, but when the industry became more interested in management structures than making films, I bailed out. Making cars is fun; in fact, I can't think of anything better. I rather hope my daughter might want to take the business on when I retire."

We walk through the factory, inspecting antique sliding-pillar suspension assemblies, plywood wheel arches cut to perfection, iron-pumping V8 engines stacked in corners... 15 minutes of this and anyone with a glimmer of Toad in their hearts will be signing up for a Morgan of their own. It is the very making of Malvern's finest that sells them. Morgans are not a means of transport, but a passion.

So, too, are the mighty jets that lift countless civilian and military aircraft into the stratosphere, though you wouldn't know it from the matter-of-fact monotones of the chaps who run Rolls-Royce Aero Engines, Derby. Quintessential Midlanders, they give the impression of being almost indifferent to the magic they perform. It's just their manner. I'm sure that they feel with me that a top aero-engine is a kinetic sculpture and a thing of ineffable beauty, as well as a machine of gratifying precision and prodigious power. Its construction, executed in surgical sheds, marries the logic of the computer to the dexterity of human hands and eyes. This year Rolls-Royce

is set to become the world's biggest manufacturer of aero-engines. Some achievement. R-R management might appear cool and detached, but if a Spitfire flew over the factory there would be a rush to the boardroom window: no besuited executive would ignore, much less mistake, the operatic thunder of a Merlin engine on song. The latest generation of R-R turbo-fans may be whisper-quiet, but there is no mistaking the passion that moves the blades that create the thrust that lifts jumbo jets and drinks trolleys reliably high above the ever-changing British cloudscape.

My own love of planes derives partly from making Airfix and Revell kits of Spitfires and Corsairs when very young; making them helped me to understand the way they worked and their inherent grace. By reminiscing in this manner, I encouraged one reluctant, sober-suited aviation executive to admit that he had done the same. But why the initial embarrassment about confessing to his childhood enthusiasms? What on earth is wrong with wanting to make things?

As the big Jag wafted me back to London, several things seemed clear. The British are best at making highly crafted machinery, highly technical machinery, or in the case of Rolls-Royce, (or racing cars or hi-fi equipment), a fusion of the two. There is little point in our competing with the Chinese steel industry when British Steel at Llanwrthwl can make a healthy profit producing a much lower volume of hi-tech "clever steels" beyond the ken of mass-producing nations. Equally, it would be pointless for Morgan cars to think of competing with Mazda or Ford.

I learnt, as I suspected, that energy and enthusiasm are more than a match for the flipchart, overhead-projector, my-jargon-is-more-macho-than-your-jargon school of business management. Detached professional management might well turn a profit deciding that designer labels are more profitable than diesel locos, but I can't get excited by the Great Western Designer Outlet Village; nor, apparently, can those promoting it. The press kit announcing the opening of this retail "facility" was wrapped around a scale model of the Great Western Railway 4-6-0, 6005 King George II (although the one sent to me is literally off the rails). The full-scale original was designed and built at Swindon railway works 70 years ago. The retail sector may have triumphed over manufacturing, but I get the feeling that not so very far under the surface, and despite Martin Wiener's astute analysis of the upper-middle classes, there are many people who wish we were still making things rather than simply consuming those made by others. You don't have to be a Toad to want to make useful things in Britain at the turn of the century, but it might be the only way to produce anything as enduring as Connolly leather or as endearing as a Great Western King.

In praise of the oily rags



A neck injury can mean months of visits to a specialist for treatment. And, if you're not adequately covered, it can also mean months of expensive bills. Some policies don't cover treatments like osteopathy and chiropractic. And, incredibly, some don't give you full cover for basics like specialist consultations and surgeons' fees.

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A brighter, more comet-friendly Britain

You are now entering an election-free zone

This has been Science Week, a week at the start of which the British were an ignorant, scientifically naive bunch and after which they are now one of the most scientifically sophisticated communities in the world.

Or are they? Well, it's easy to find out. If you have been paying attention, you too should be scientifically switched on by now.

So why not test yourself to see just how much you have picked up? Here we go then! All you have to do is see how many of the following searching scientific questions you can answer.

1. Every week Melvyn Bragg starts the week with a bunch of assorted pundits, and every week one of them is a geneticist. What are the odds against this happening by random selection?

Question programmes, and says, "Of course this isn't a scientifically conducted survey". Compared to what? What is a scientifically conducted survey?

3. For instance, is a political election a scientifically conducted survey?

4. If the opinion polls say that one party will win, and the election results say that by a count of elected members the other side has won, might a scientist say that the polls were right and the election was wrong?

5. What is the scientific process? Which of the following descriptions most nearly approximates to the way science works?

a) Evolving a theory and then testing it with repeatable and verifiable experiments until proved true or false.

b) Developing an experimental programme such as sheep cloning which is newsworthy enough to get more research funds rolling in.



Miles Kingston

c) Being called in by the Government at BSE or E.Coli time and being asked to bail them out overnight.

6. How can you tell sheep apart at the best of times?

7. A comet has been placed in the north-western sky especially to promote interest in Science Week. But what is it called?

a) "Hip Hop"

b) "Gault-Millau"

c) "Darth Vader"

d) "Look, just over the chimney, that faint blob, oh it's gone now..."

8. What does the word "forensic" refer to?

a) Cutting up dead people

b) Crime shows on TV...

c) Any evidence in court which is subsequently shown to be dodgy.

9. What can be seen glowing faintly in the evening after sunset and again round about sunrise?

a) That thing, you know, the whist, the asteroid, no, as you were, the comet or whatever

b) The nearest big city, or perhaps just Trowbridge

c) Michael Howard on *Newsnight* and again on the *Today* programme.

10. What is a comet exactly?

a) A laser show designed to publicise Science Week

b) Nuclear waste dumped in space by a now-extinct civilisation

c) An omen foretelling great unrest ahead and massive hold-ups on the M40

11. Which of the following words are not genuine scientific terms?

a) morph

b) zap

c) mutant

d) ninja

e) ginormous

f) mega

g) bodacious

12. The population of the world is increasing the whole time, but the amount of air and water stays constant, leading to a smaller share for everyone. What will this mean for mankind by the year AD2200?

a) That we will all be forced to take smaller breaths?

b) That air will be piped down from the upper atmosphere, rather as water is now piped from the Welsh hills?

c) That bottles of fizzy air will be placed on the tables of posh restaurants?

d) That dry methods of washing ourselves will be evolved, eg that we will vacuum-clean our hair instead of shampooing it?

13. Have you ever met anyone who had finished reading *A Brief History of Time*?

14. Explain briefly the difference between Richard Dawkins and Stephen Hawking.

Answers will be given next time Science Week comes along

Phoning in sick from the sexual revolution

"So, are five orgasms really better than one?" screams *Company* magazine. A stupid question, one might feel, but in the current "less is more" climate that governs everything from politics to cuisine, you never can tell. Quality rather than quantity is the order of the day.

There is, you will be pleased to hear, "a flipside to a clutch of clintons". The most important thing, apparently, is to do it with someone you love. This may explain why four out of 10 women prefer to remain celibate, according to the 1995 General Household survey. Either there are not enough men of a suitable calibre, or we don't love them enough.

Before we proclaim celibacy as the new rock'n'roll, we might question how honest the respondents to the survey were in the first place. As the age group ranged from 16 to 49, we may assume that there were some who lied about how much sex they were having. Yet the figures are backed up by detailed questions about contraceptive use.

Experts are being wheeled in to figure out how this tragedy could have afflicted the nation's women. Presumably it hasn't afflicted the nation's men, or the 60 per cent of single women who aren't celibate and are having to do overtime to make up for the abstainers. But how could four in 10 girls be just saying no when we have assumed they were always saying yes? How could they turn their noses up at this trivial pursuit? Are these women the conscientious objectors in the war between the sexes? Would they really rather have a cup of tea? Could the Spice Girls really be all mouth and no underwear?

It may be hard for a sexually obsessed culture to contemplate, but perhaps we have had enough. We have heard so much, read so much, seen so much sex that we cannot be bothered to take our interest in the real thing anymore.

We have had buckets of sex in order to liberate ourselves; sex to become emotionally healthy; sex to burn up excess calories; sex to prove we can have the right stands, sex to cement relationships, casual sex, serious sex, sex in faraway places, sex with the boy next door.

We are all tollers in the great sex industry. After all this sexual experimentation, our conclusions are rather mundane: sex is usually better with someone you like than someone you don't. No sex may be preferable to bad sex. At certain times and for certain people, sex is more important than at others.

I find the news of these sexual shirkers, the "abstainers", those brave souls who have phoned in sick in the sexual revolution, rather heartening. What willpower it must require to ignore the messages beamed out at us from every poster, magazine, advert, film and television screen.

"No sweat! Great sex, less effort!" (*Mina*). "Secret life of a sex addict (*Elle*). "Aliens forced me to have sex" (*More*). "Are you selected from magazines aimed at young women, *Company* has a feature on women who are 'bastards'... One such bastard is Maria, who slept with 'five complete strangers' on holiday in Greece last summer. Sleep is a peculiar euphemism for such an up-front magazine.

"Rupert was tall and dark and had great teeth." Bloke 4 was not impressive - "I actually fell asleep during sex because I was so



Suzanne Moore

As my friend's mother always says, 'If you find a good man, shoot him before he goes off'

pissed, and to be honest, the sex was crap." Keith fared a bit better, but once back in London, "it was a case of been there, done that, time to move on. And without a tan he didn't look half as good".

Is Maria really a "bastard", an example of girl power, a wannabe *Gimme Show* presenter, a ladette who is "mad for it", a model of sexual health, a product of sexual liberation, a refuter of double standards?

She may be none or all of these things, she may not even exist, but as a role model she is too sorely dated to be worth aspiring to. The days when such behaviour would have marked her out as a sexual pioneer have long gone - they belonged to the Seventies, the era of Erica Jong's "zippies fuck". I care not whether Maria has sex with five or 50 men a week - if it makes her happy; if it doesn't, she may as well stick to aerobics.

I suspect the abstainers may know what makes them happy. Or they may simply view sex as being about more than physical need. Women, accustomed to increased choice in every area of their lives, are making choices in this department, too. Contraception has freed us up, work has given us independence. Many women view sex as part of a deal, not as the deal itself. They want partners to fit in with a lifestyle they have prepared earlier, instead of changing their lives around when they meet a man.

The facade of a successful partnership - the dinner parties, the mini-breaks, the public world of coupledom - is as important as what goes on behind closed doors. Women's refusal to compromise means increased business for dating agencies and marriage guidance counsellors. Sex, in this model, is a perk of the job of coupledom, rather than an earth-shattering experience.

Men are simply not up to it. Or so it has been claimed. As my friend's mother always says, "If you find a good man, shoot him before he goes off". They cannot cope with all these demands, and who can blame them? Given further permission to act like pigs because of the burgeoning Laid culture, they snout around, desperate for those three little words that Mrs Merton claims her husband waited a long time to hear: "If you must."

They are confused poor things, and so are we. Sex is power one minute and play the next, imbued with mystical significance for some, a mechanism for release for others. In a sexually saturated culture, its currency has become devalued. "Shagging" and "hooking" are infantile expressions, holiday-camp activities that make sex mean nothing. This may be the apotheosis of sexual liberation, but it doesn't pan out like that because too many of us still want sex to mean something.

If some women are shirking their responsibility to be sexually active at all times, it may be because they have liberated themselves from the idea that they can only be defined within the context of a sexual relationship. Celibacy may not be new, but it is still considered shocking in an era of compulsory sexual activity. The abstainers may, like everyone else, talk about it more than they do it, for if there is a moral in the tale it is this: our biggest sexual fantasy is the enduring one that everyone else in the world has more sex than we do. Better start fantasising less.



Ten reasons why Blair can't afford to relax

by Donald Macintyre

It's been Labour's week again. First, *The Sun* transforms the landscape by backing Tony Blair. Then the Tories are put hugely on the defensive over cash for parliamentary questions - overshadowing one of the best ever monthly falls in unemployment. In hand-to-hand fighting for the headlines the Tories have already suffered heavy losses, and the campaign has scarcely begun.

So it seems eccentric to suggest that Labour, around 20 points ahead in the polls, has any reasons for anxiety. If anything its support seems to be hardening. But that's just it. Both parties are deeply suspicious of the size of the poll lead and, ironically, both would probably like them to narrow to what Labour regards as a real gap closer to 10 per cent. The Tories, so that they can improve morale and promise the kind of real fight that the electorate and press would like: Labour so that it would inject a more realistic view of the work that still needs to be done. Complacency is Labour's big enemy.

So for hubristic Labour candidates and party workers here are 10 potential problems to worry about:

1. The reverse incumbency factor. The bright lights are now on Labour. Because of the widespread assumption that Blair will win, significantly more interest is being shown in Labour's policy proposals by the media, and by the Tories themselves, now effectively fighting the election as an opposition party. Earlier this week the *Evening Standard* put 50 questions about Labour's programme to the party. When asked why the same proposals were not being put to the Tories, the reply came back: "because no one thinks they're going to win."

2. Money. John Major's biographer, the historian Anthony Seldon, has listed nine factors for why Tory governments fall - ranging from party disunity and a negative image of the leader to feeling that it is time for a change. Major's government displays eight out of the nine. The one it doesn't is money. Tories won't say how much they have got but Labour puts the figure at £40m compared to £12m of its own. This means much more for newspaper advertising, direct mail shots and telephone canvassing.
3. TV debates. Labour strategists are quietly confident that debates will work to Blair's advantage, but several senior Tories believe they will help Major. And as the first in British political history they cannot fail to inject an air of danger into an otherwise heavily programmed campaign. At present the BBC (front man: David Dimbleby) and ITV (Jonathan Dimbleby) are proposing two 90-minute Sunday night debates, with an expected audience of 15 million, in mid-campaign. Blair and Major would confront each other, with Ashdown being grilled separately. ITV envisages a looser, more audience friendly format with more cross-talk between the two main leaders. BBC would have Ashdown on at the end, ITV in the middle. The main obstacle is Ashdown's understandable reluctance to be left out of the main debate. But the balance is tipping in favour of debates. That means danger for both sides.

4. Europe. The shuffle by the Cabinet in January when it agreed that a single currency was "highly unlikely", followed by an amber light to candidates opposing the single currency outright has meant that many Tory candidates are running their own campaigns without reference to Central Office.

5. sons of competition and partly because of the old adage that the best commercial position for newspapers is to be Tory at times of a Labour government. The main danger among activists is a feeling that now *The Sun* has switched sides the battle is over bar the shouting. This is a big mistake. It wasn't the *Sun* won it in 1992. It had much more to do with Labour's tax plans and Neil Kinnock's unpopularity. Michael Heseltine is straining at the leash to deliver a broadside at foreign newspaper tycoons, but Central Office is much more reluctant, possibly because huge efforts were made by senior ministers to stop Murdoch doing it.

Neither side believes the size of Blair's lead. The fight is not over until 10pm on 1 May

6. The overall effect is a big net gain. But Labour may still play a price, especially among the chattering classes. Conservative defectors who dislike *The Sun* and rival newspaper groups.
7. The landslide factor - the risk of a counter-swing against Labour once electors start seriously translating the poll lead into a 1996-style majority. As the Tories point out, Labour's planned constitutional changes are for ever - and not just until the next Tory government takes over. One way of preventing this is by stamping on the related problem of ...

8. Triumphantist indiscipline. All senior Labour spokesmen need an urgent inoculation against the ailment which caused Neil Kinnock to lose it at the pre-election rally in 1992. This is one reason why Blair is campaigning in meetings with small groups of voters rather than rub-thumping US-style presidential rallies. Shadow ministers with eyes on Cabinet jobs are particularly susceptible.
9. It's the economy, stupid. It's true that the Tories are suffering from an unprecedented disjunction between economic optimism and their own popularity. But the 1p tax reduction due in April certainly won't harm the Tories.
10. The Max Clifford factor. The effect would probably be limited. But just because *The Sun* has swung to Labour it can't be ruled out that Labour, as well as the Tories, could be hit by prurient sexual revelations before polling day.

The two men most aware that it could yet be a much tougher fight are Blair and Major. Blair starkly warned his MPs this week that "we have a mountain to climb" and that just to get a majority Labour needs its biggest swing since 1945. This doesn't mean that a landslide isn't possible. Even a 10 per cent lead would deliver an awe-inspiring 80-seat majority. But it does mean that Labour would be wise to treat the mysterious electoral beast with deep respect all the way to 10pm on Thursday May 1.

Germany and stability in Europe

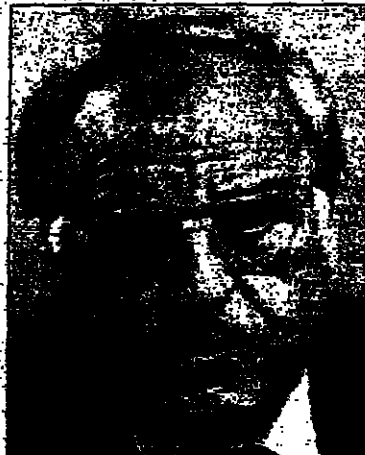
Klaus Kinkel, the German foreign minister, says he wants to spread "the German culture of stability" to the rest of Europe. This must be the famous German sense of humour. Stability? Nearly five million Germans officially unemployed, a figure not seen since Heinrich Brüning was Chancellor in 1931 - and guess who was his successor but one?

Stability, when striking miners refuse to get their tanks off Helmut Kohl's lawn and extract from him yet further subsidies for a coal industry where every single ton costs the taxpayer 200 DM (\$80) - around 10 times its world market value.

This is the Germany where a secret report says a third of the railway network is to be cut, the steel industry heavily rationalised and health care sharply reformed. Where the pension system is stacking up liabilities at an unsustainable rate but where the governing coalition can do nothing without the assent of the opposition (who control the upper chamber of parliament) and they won't play ball.

Oh yes, and this is a country where some Germans give prizes to foreign authors of books alleging virtually the entire nation had complicity in the extermination of European Jewry at the same time as others (including some senior members of Chancellor Kohl's coalition partners, the Christian Social Union) deplore the public exhibition of pictures containing incontrovertible evidence that the German army was an active perpetrator of atrocities across Europe.

Stability, Herr Kinkel, when the only chance the unemployed have is for the Bundesbank, currently



Helmut Kohl's domination has ended with a bang and Europe is now a problem. Seeking to be tied down lest the jackboot reappear is a poor kind of fatalism, says David Walker

repentant after having subjected Germany to masochistically hard levels of currency appreciation a couple of years ago, allows the Deutschmark to soften ... something of a paradox in the context of the Euro.

Germany is, in short, in a bit of a mess. The era of Chancellor Kohl's dominance ended with a bang last week the Christian Democratic Union is scrambling for the succession stakes. Kohl's great work - reunification - still casts a shadow: the east German economy is far from sorted, and public finances will long bear scars.

But it is important, especially for us, the British, with all our historical baggage, to understand just what the German malady amounts to. It does not mean the end of *Vorsprung durch Technik*. At the same time as the miners were demonstrating in Bonn and Berlin last week the regular CeBIT techno-fair opened in Hannover. German enthusiasm for the Internet is burgeoning; the idea that Germany is not going to be a major player in new technologies won't wash.

What Germany needs is a dose of "Thatcherism" in the sense it needs to move away from old staples such as coal and steel and probably also away from the generous assumptions which underpinned the "social market economy" (a creation, let it not be forgotten, of the conservatives Konrad Adenauer and Ludwig Erhard).

How well will German politics cope? If they can select a leader with more appeal than Oskar Lafontaine the Social Democrats must be in with a chance for the national elections due next year. Then it would be down to them, out of power since the early Eighties, to deal with the unions,

welfare, tax reforms, and (since they might need the greens as coalition partners) the environment.

It is a heavy list. But those who spend their time examining the entrails of German democracy for signs of failure and incipient fascism are going to be disappointed. The German political system is in rude health. Functioning federalism which can still happily embrace cultures as different as those of Bavaria and the Saarland is one of the glories of the postwar constitution.

The real German problem is Europe. This is apparent in the sense that Maastricht and EMU have been allowed to become arbiters of the fate of significant politicians, not just Chancellor Kohl but also the CSU leader and finance minister Theo Waigel and many of their colleagues, too. At this stage in the economic cycle, with unemployment as high as it is, German leaders need extensive room for manoeuvre. Instead they have allowed the European "project" to box them in. Read my lips, Herr Waigel says: 3 per cent is 3 per cent - referring to the maximum German budget deficit for EMU entry.

But how will the Kohl government reach it? Buying off the miners will cost millions of marks. Tax revenues are running below expectations. EMU involves the end of the Deutschmark, the abolition of the Bundesbank - the destruction of two great sources of German postwar identity. And in aid of what? It is too easy to reply in terms of Chancellor Kohl's personal European aspirations. It is not just him. The silence of the opposition and the trade unions on EMU is even more telling - mildly critical remarks by the SPD leader Gerhard Schröder

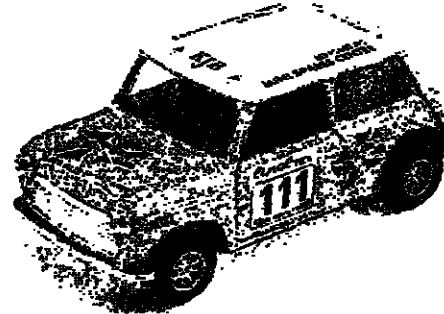
are treated as revolutionary. When Theo Waigel went to Brussels last week he complained about contributing the equivalent of £7.5bn a year to the EU budget, on top of Germany's huge direct contributions to regeneration in eastern Europe. "These are things we are doing not for Germany but for Europe," he said.

But why? Why this clinging, to a European scheme which may be preventing German adaptation and reform, may be stopping Germans asserting legitimate self-interest? It is because Europe stops Germans having to think about their future as a nation. You can hear it from young intellectuals or old CDU hacks. They talk about merging Germany into Europe. We cannot handle a "Europe of Fatherlands" said a leading intellectual the other day because we would be bounced back into Greater German aspirations. It is a version of the Old Adam argument: tie us down, pen us in or else demonic forces will force us to put our jackboots on.

It is a poor argument, embodying a dangerous kind of fatalism. Europe will never wash away German history or German nationality. In his speech after awarding Daniel Goldhagen the Democracy Prize for his book *Hitler's Willing Executioners*, the philosopher Jürgen Habermas said the Germans were too taken by this kind of pessimistic historicism. What happened in the Thirties and Forties was the result of a one-off concatenation of ideas and mind sets.

Europe may even be an impediment to the Germans realising what they have accomplished post-war, and rejoicing that they have it in themselves to solve their own problems.

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Liggett to settle US tobacco lawsuits

Maker of Chesterfield cigarettes to acknowledge smoking is addictive and can cause cancer

David Osborne
New York

The legal equivalent of an earthquake struck the tobacco industry yesterday following revelations that the maker of Chesterfield cigarettes was poised to acknowledge formally that smoking was addictive and could cause cancer.

The Liggett Group, the smallest of the main US tobacco companies, was expected to confirm it had negotiated a potentially explosive agreement to settle lawsuits filed against the industry by 22 US states. In return, it would gain immunity in the future from such lawsuits.

Under the deal, which was to be detailed at a press conference in Washington late last night, Liggett would also surrender in-

dustry documents to assist the states in pursuing the other tobacco companies and release its employees from any legal constraints from testifying in support of the lawsuits.

The settlement promises to usher in a new phase in the legal struggle in the US over what responsibility should be shouldered by tobacco companies for health problems suffered by smokers. Ultimately, it may force the industry to seek a long-term truce with litigants and the federal government.

Negotiated behind closed doors with the attorneys general of all 22 states in Washington this week, the agreement will oblige Liggett to print new

warnings on its cigarette packs spelling out that smoking is addictive and can cause cancer. Liggett brands also include Eve and L&M cigarettes.

Bennett LeBow, the head of Liggett, was expected to issue a personal statement conceding that cigarettes are addictive and carcinogenic and that the tobacco industry targets young people as potential smokers.

While the admission may not appear stunning, it contradicts statements made by all the main tobacco chief executives under oath before Congress in 1994 when they denied smoking was addictive. The Justice Department is investigating whether they lied to Congress.

Under the deal, Liggett will undertake to make a token initial settlement of \$25m (£16m). It will also continue to pay out 25 per cent of its pre-tax profits to the states for 25 years.

Liggett has broken ranks before. A year ago, it reached a settlement with five states and with the litigants in a massive class-action lawsuit that has since fizzled in the courts.

For the rest of the industry, it is Liggett's pledge to assist in the states' lawsuits that is most alarming. Shares in tobacco companies slumped yesterday. In New York, shares in Philip Morris were down by more than \$5 at midday to \$116.75. Only a week ago, the same

shares were at \$140. In London, shares in BAT lost 18.5p to 489p in late trading.

Among the documents that Liggett has promised to release are notes from consultations between the legal officers of all the tobacco companies over 30 years. These could be incriminating if they demonstrate a policy of concealing the addictiveness of nicotine.

The deal was hailed by Scott Hershberger, head of the Association of Attorneys General. "The fallout from this agreement will be felt well into the 21st century and it should end the force of industry denials about their illegal and deceptive conduct," he said.

It will also be welcomed by anti-smoking advocates. In recent days, advertising signs atop New York City taxi cabs have appeared depicting a stylised Marlboro Man. The posters show a skull under a cowboy hat with a cigarette hanging from its mouth and the slogan "Welcome to Cancer Country."

Analysts cautioned, however, that Philip Morris and the other main companies may not negotiate settlements. The precise content of the Liggett documents is unknown. Liggett's rivals are also certain to take court action to attempt to block the handing over of the documents on the grounds that they contain privileged information.

"I don't believe that the settlement will necessarily draw the rest of the industry in," said Mary Aronson, a litigation analyst in New York.

Also unclear last night was what was motivating Mr LeBow to hand over the shop in so dramatic a fashion. A prominent theory is that by amending Liggett with future immunity from prosecution, Mr LeBow is attempting to make his company attractive as a target for acquisition. Mr LeBow, who owns Liggett through his larger holding company, the Brooke Group, was until recently fighting to force RJR Nabisco to separate its food and cigarette divisions. That strategy, which

failed, was seen as an effort by Mr LeBow to engineer a merger of Liggett and RJ Reynolds. Hinting at the battle lying ahead over the fate of Liggett's documents, an attorney representing Brown & Williamson, the US subsidiary of BAT, said that for Liggett to surrender them would be "improper".

The battle over tobacco, meanwhile, is broader than just the lawsuits of the 22 states, which alone could ultimately cost the companies billions of dollars. Several US cities, including New York, have launched lawsuits. Additionally there are some 300 lawsuits pending. The Liggett deal would appear to give all litigants substantial new ammunition with which to hit the industry. Comment, page 21

Norwich to hand out £3bn windfall

Clifford German

Around 1.8 million with-profit policy-holders with Norwich Union will each receive a share windfall worth an estimated £730 when the mutual insurance giant floats in June. The free share allocation is wider and more generous than expected, but several million policy-holders with household or motor insurance policies will miss out on the bonanza.

Announcing the details of the £3bn share allocation yesterday, Norwich Union said with-profit policy-holders, including those with endowment mortgages, would receive a minimum of 300 shares, worth an estimated £730.

Slightly more than 1 million members will get more than the minimum, depending on the current value of their policies. The basis of calculation has not yet been published, but there is no maximum award, and policy-holders with large pension funds will get shares worth £10,000 and more.

A further 1.1 million mem-

bers with non-profit policies, which includes anyone with an ordinary life assurance policy, investors in Norwich Union unit trusts, and pensioners with Norwich Union personal pensions, will get a fixed allocation of 150 shares, worth an estimated £360.

Policy-holders living abroad will be eligible for shares and there will be a cash alternative for members living in countries which do not permit share ownership. But the flotation will not benefit ordinary household and motor policy-holders, who are not deemed to be members of the society.

The cut-off date for policies which are eligible is 1 October last year. Any taken out after that date will not qualify for free shares. The proposal must win 75 per cent approval from those voting at an extraordinary general meeting to be held on 18 April.

After the furore caused by second-named account holders missing out on the building society flotations, Norwich also looks set to run into flak after

ruling that each policy relates only to one member.

Where there are two named policy-holders only the first name on the policy will be entitled to shares. The finance director, Richard Harvey, admitted yesterday that many thousands of divorced couples would still have joint policies, and only the first-named would receive the shares.

The shares would currently be worth an estimated 220p-265p each, Norwich Union said. It is raising £1.75bn in new capital in a public share offer at the time of the flotation. The new money will go to pay costs of the float, estimated at £120m. Another £130m will be retained in the general insurance company, and the balance of £1.5bn will be paid into the life assurance fund, and invested in shares and other assets.

Had the group been a public company throughout the past three years, profits would have risen from £404m in 1994 to £581m in 1995 before dropping back to £567m last year. Assuming a dividend yield of



Bonanza: George Paul, chairman of Norwich Union, Allan Bridgewater, chief executive, and Richard Harvey, finance director, announcing the windfall. Photograph: Nicola Kurtz

5 per cent, the group is expected to be valued at over £5bn based on the notional £305m dividend it would have paid last year. That equates to around 1.1

times the embedded value of the life fund, whereas comparable companies are valued at between 1.3 and 1.8 times the embedded value, which suggests the mar-

ket value of the group after flotation could be in excess of £6bn. It will rank in the top 40 UK companies when dealings begin in June.

L&G suggests way to redress pensions

Nic Ciccanti
Personal Finance Editor

Legal & General, one of the UK's largest insurers, yesterday launched a *charm offensive* aimed at persuading financial regulators to agree an alternative compensation mechanism for victims of the pensions mis-selling scandal.

The company formally proposed that alongside the existing redress system, where people must be reinstated into their old pension, insurers could simply guarantee to match whatever benefits policy-holders might receive from their former schemes.

L&G's proposals were cautiously welcomed by the Securities and Investments Board, the senior City watchdog, which pointed out that provision for such a move appeared in its original compensation guidelines in 1994.

However, the Personal Investment Authority (PIA), the front-line financial regulator, played down the proposals. A PIA spokesman said they would be examined carefully, before adding: "We cannot see a significant benefit to investors from [them]. We expect firms to make substantial progress in resolving cases, according to our existing guidelines, during the course of this year."

David Prosser, chief executive at L&G, said adopting the new proposal would allow the long-running problem of compensating hundreds of thousands of clients to be solved almost at a stroke.

Instead of a lengthy wait while pension funds supply relevant information to insurers, policyholders would know that at retirement they would be paid exactly the same amount as if they had never left their schemes.

Mr Prosser said: "All parties surely wish to resolve the problems arising from pensions mis-selling as a matter of urgency. In our judgement, a new initiative is required if this problem is going to be resolved within a reasonable period of time."

"The nub of the problem under the current procedure is that case-by-case information has to be received from each individual concerned. This takes a long time and we can do nothing to speed up the receipt of information from occupational schemes."

Tom King, corporate affairs director at Standard Life, said that his company had relatively few cases to consider and hoped to meet the PIA's end-of-year deadline for resolving them. But he added that this depended on the speed with which occupational schemes supplied Standard Life with the information it needed.

"I am not sure why the PIA is so opposed to this. If people have something in their hands saying that a company is going to mirror the benefits they would otherwise be entitled to, what else do they want?" Mr King added.

But he pointed out that there might still be several issues to resolve, including that of tracking a person's earnings and other details so that the right pension could be paid at retirement.

L&G's proposals follow the long-running failure by insurers to meet deadlines set for them by the PIA to pay compensation to almost 500,000 people who were wrongly advised to start a personal pension.

The original date for resolving the issue was the end of December 1995. But last month, the PIA admitted that barely 7,000 people have received compensation so far.

Booming economy scares City

Diane Coyle
Economics Editor

Inflation edged lower last month thanks to the strong pound, which also hit export orders. But the booming economy has taken manufacturing output to its highest since May 1995, while consumer credit set a new record.

The City mood has shifted in favour of the need for an increase in interest rates following a batch of figures this week showing the economy building up a strong sense of momentum.

Most analysts expect the move on 7 May, right after the election.

Interest rate gloom accounted for a drop in share prices. The FTSE 100 index tumbled more than 74 points to 4,258.1. "The strength of demand in the economy will not stop inflation falling this year, but it will affect the outlook for 1998," said Michael Saunders, UK economist at Salomon Brothers.

Minutes of the February meeting between Bank of England Governor Eddie George and the Chancellor of the Exchequer, published on Wednesday, showed the Bank urging an immediate base rate rise. This week's figures, including a big drop in unemployment and an increase in earnings growth, will have reinforced its message.

The Government's target

measure of inflation, retail prices excluding mortgage interest rates, fell to 2.9 per cent in February from 3.1 per cent. Economists still think there is a good chance it will hit its 2.5 per cent target temporarily this year as the effect of the strong pound feeds through to goods on the high street.

The headline rate edged down from 2.8 per cent to 2.7 per cent. Seasonal foods and household goods prices con-

US rate rise likely after Greenspan testimony

Washington - Alan Greenspan, Federal Reserve chairman, indicated more strongly than ever yesterday he favoured a pre-emptive strike against inflation, strengthening market belief that the central bank will raise interest rates higher when its key policy making committee meets on Tuesday, writes Rupert Cornwell.

"It's almost a done deal. He said he's ready to pull the trigger," commented David Jones, a Wall Street economist, reflecting the widespread view that after leaving short-term rates untouched for more than a year, the Fed will increase them next week, probably by 0.25 percentage points.

tributed most to the decline.

The figures, published on the anniversary of the BSE crisis, showed beef prices only 1.6 per cent lower than a year earlier. Clothing and footwear prices displayed their usual post-sale rebound.

The rate of increase in goods prices generally was the lowest since May 1995 due to the sterling effect. However, services inflation climbed to its highest for three years.

In testimony to the congressional Joint Economic Committee, Mr Greenspan depicted a robust economy fuelled by strong consumer demand, with good prospects of sustained growth for the rest of the year. Should the Fed choose to act, he added in the phrase that sent the Dow tumbling as much as 70 points in early trading, "we know from past experience that although the financial markets may respond immediately, the main effects on inflationary pressure may not be felt until late this year and in 1998".

For Wall Street his words were as near as the cryptic Mr Greenspan could come to confirming a move next week.

The outcome of the tug-of-war between the two categories will determine the path of inflation over the course of the next few months.

Other figures yesterday confirmed that demand is booming. The latest survey of manufacturing by the Confederation of British Industry showed that export orders have dropped to their lowest level since November 1993.

But domestic orders more than offset this, and the volume of output was at its highest for nearly two years. The balance of firms increasing rather than reducing output rose to 25 per cent from 16 per cent last month.

Sudhir Junankar of the CBI said: "It is a more encouraging picture on output."

Separate statistics published by the Bank of England showed that growth in M4, the broad money measure whose pick-up has alarmed Eddie George, climbed to 11.3 per cent in February.

The high street banks reported that consumer credit set another new record. New loans amounted to £620m during the month, about half as much again as the recent monthly average.

The surge in personal loans took the edge off slight falls in mortgage lending by banks and building societies.

Warning over EMU rates plan

Yvette Cooper

The proposals being considered in Europe for managing the transition to a single currency leave the door open for speculators to destroy the whole project, according to a report by the Centre for Economic Policy Research.

Economists argue in the report that the lock-in rates between participating countries should be set at their central parity rate within the exchange rate mechanism. This is a controversial proposal, opposed by other European experts, and rather different from the two alternatives touted so far by European officials.

The mechanism for setting entry rates for economic and monetary union in January 1999 will have to come before an informal Ecofin meeting of European finance ministers and central bankers before the participating members are announced in the spring of next year. The first chance for a full discussion will be at the informal Ecofin on 4 April.

The main proposals now under consideration are to fix the entry rates at whatever the market rates happen to be on 1 January 1999, or alternatively to use

an average of each country's market position over a period of months or years. The second option is widely referred to as the Lamfalussy rule, after the president of the European Monetary Institute, who first aired the idea.

The CEPR report, entitled "EMU: Getting the endgame right", says it is a mistake to rely on market forces to establish the relative positions of currencies. "Leaving the last day's exchange rate indeterminate implies that markets have no anchor to base their expectations on during the interim period. This would destabilise exchange markets in a period when it is least desirable."

Instead the report says the markets should be given guidance in the form of a commitment by central banks that conversion rates will be at the current central parities of the exchange rate mechanism. The authors maintain that if the commitment is credible, markets will converge on those central rates.

But some City analysts are not so sure that the convergence on the central parities would actually take place. Graham Bishop of Salomon Brothers said: "There's a lot to be said for keeping the markets guessing. It is a mistake to give the markets something to aim at."

| STOCK MARKETS | | | | | |
|----------------|----------|--------------|------------|--------------|-------------|
| Index | Close | Day's change | Change (%) | 1996/97 High | 1996/97 Low |
| FTSE 100 | 4258.10 | -74.10 | -1.7 | 4444.30 | 3632.30 |
| FTSE 250 | 4585.20 | -87.70 | -1.9 | 4729.40 | 4015.30 |
| FTSE 350 | 2105.70 | -37.40 | -1.7 | 2194.30 | 1815.60 |
| FTSE SmallCap | 2321.50 | -21.80 | -0.9 | 2374.20 | 1954.06 |
| FTSE All-Share | 2079.85 | -35.55 | -1.7 | 2153.94 | 1791.95 |
| New York | 6857.29 | -20.39 | -0.3 | 7085.16 | 5032.94 |
| Nikkei | 12472.33 | -179.09 | -1.4 | 13668.24 | 10204.87 |
| Hong Kong | 3264.67 | -51.26 | -1.5 | 3460.64 | 2253.36 |

| INTEREST RATES | | | | | |
|----------------|----------------|--------------|--------------------|-------------|---------|
| Short sterling | UK medium gilt | US long bond | Money Market Rates | Bond Yields | |
| 1 Month | 1 Year | 3 Month | 1 Month | 1 Year | 3 Month |
| 6.06 | 6.03 | 7.62 | 6.06 | 6.03 | 7.72 |
| 5.50 | 5.08 | 6.76 | 5.50 | 5.08 | 6.67 |
| 4.47 | 0.98 | 2.26 | 4.47 | 0.98 | 3.20 |
| 3.26 | 3.38 | 5.94 | 3.26 | 3.38 | 6.48 |

| CURRENCIES | | | | | |
|------------|--------|---------|---------|--------|---------|
| £/\$ | £/DM | £/¥ | Pound | Dollar | |
| 1.5873 | 0.6261 | 1.5384 | 1.5873 | 0.6261 | 1.5384 |
| 1.5930 | 0.6277 | 1.5380 | 1.5930 | 0.6277 | 1.5380 |
| 1.6658 | 1.8161 | 2.2700 | 1.6658 | 1.8161 | 2.2700 |
| 196.063 | 11.236 | 163.724 | 196.063 | 11.236 | 163.724 |
| 96.3 | 104.1 | 85.7 | 96.3 | 104.1 | 85.7 |

The 171st Annual General Meeting of the Company will be held in Standard Life House, 30 Lothian Road, Edinburgh on Tuesday 22 April 1997 at 2.30pm.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote. A proxy need not be a member.

By order of the Board of Directors
Alan R Forbes
Secretary
Edinburgh, 20 March 1997

Policyholders may obtain a copy of the Annual Report and Accounts, including the agenda, by writing to the Customer Service Information Team at PO Box 141, 1 Tunfield, Edinburgh EH3 5RG or by telephoning (0131) 245 2668. Proxy forms may be similarly obtained by members entitled to vote.

STANDARD LIFE



COMMENT

'That the normally trustworthy insurance industry could have perpetrated this mis-selling scandal in the first place is bad enough. Its apparent failure to deal with the compensation issue makes it seem doubly worse'

Prosser's proposal offers the PLA a way out

Full marks to Legal & General's David Prosser for coming up with a good though not wholly original plan for breaking the pensions mis-selling impasse. But as regulators and others going to bite, and if they do, will it not be such a reversal and climb down for the Personal Investment Authority that somebody will have to go?

It has not been a good month for Joe Palmer and Collette Bowe, chairman and chief executive respectively of the PLA. First there was the roasting they received from the Commons Treasury Select Committee over the paralysis in attempt to deal with the scandal. Then there was the disclosure that those who have died awaiting compensation outnumber those who have had their cases settled by three to one. Now along comes Mr Prosser with his own way of dealing with the problem. By implication he suggests the PLA's approach may have been flawed all along.

Anything is better than the present shambles and the proposal would certainly seem to deserve serious consideration even if it does involve some loss of face for the PLA. The trouble is that for the time being the PLA is sticking to its guns. We've bent over backwards to accommodate the industry's needs on all this and now they are saying let's start all over again, is the PLA's not unreasonable complaint.

Well maybe, but the truth of the matter is that the present approach is not getting anywhere, and Mr Prosser's proposal would

seem to offer at least the hope of an early solution to what is proving to be an intractable set of problems. The approach pursued by the PLA is the exceeding complex one of getting aggrieved policy holders reinstated into their old pension schemes, which requires a calculation to be made of the shortfall in contributions.

The main difficulty has been persuading the pension funds to play ball, for given that this is not their problem it is for them a low priority.

The beauty of Mr Prosser's approach is that the insurance company doesn't have to wait for the pension funds to calculate the correct amount of compensation. By mirroring the benefit that the pension fund would have paid, it can solve the grievance immediately and settle the detail at leisure.

It should be pointed out that Mr Prosser's motives are not entirely altruistic. That the normally trustworthy insurance industry could have perpetrated this mis-selling scandal in the first place is bad enough. Its apparent failure to deal with the compensation issue makes it seem doubly worse.

The damage in public relations terms is incalculable. Mr Prosser's plan offers a way out, a way of saying we've solved this problem even though what the plan actually does is merely buy time in which to settle properly.

Even so, we should not knock the proposal just because it allows the industry to get shot of unwanted publicity. As Ms Bowe learned

to her cost at the select committee last week, failure to solve this problem has begun to reflect as badly on the PLA as it has on the industry. It is in everyone's interests that this be settled and the Prosser route seems to provide a rather better answer than the PLA's.

When BAT Industries admitted a couple of weeks ago it would entertain serious offers to settle its US tobacco-related litigation it was clear the industry was preparing to abandon its untenable pretence that cigarettes were not addictive drugs that caused cancer. The defensive chain was only ever going to be as strong as its weakest link and yesterday Liggett snapped.

The proposed deal - a one-off multi-million dollar payment, then an effective 25 per cent tax on profits for 25 years, is dramatic enough. The agreement to make available top-secret internal documents showing the tobacco companies knew all along what dangerous narcotics they were peddling is pure dynamite.

No wonder Liggett's rivals have been gasping to their lawyers for injunctions to keep the lid on their deceit. Allowing its employees to testify in the lawsuits against the rest of the industry threatens to open up a grubby and explosive Pandora's box.

Moreover, a personal statement from Liggett head Bennett LeBow that the industry has deliberately targeted young people

as potential smokers and conceding that cigarettes are carcinogenic and addictive seems to imply that chief executives of the major tobacco companies were lying when they swore the precise opposite before Congress in 1994.

Mr LeBow is, of course, working to his own agenda. He is trying to sell Liggett and needs a deal to draw a line under the outstanding litigation, so the business can be valued. The usual rhetoric last night from the company's peers suggests Philip Morris, BAT and the others are not ready to roll over except on their own terms.

What is remarkable about this unfolding drama, however, is the speed with which the terms of the debate are shifting. Only a year ago it would have been inconceivable for any tobacco company to be prepared to flag the addictiveness of its product, let alone put into the public domain documents that could blow a giant hole in the tissue of lies that has sustained the industry for 40 years. The endgame has begun.

Just as patriotism is the last refuge of the scoundrel, so a strong pound is a handy bolt hole for the chairman looking for an excuse to swing the jobs axe. Can it really be the case that British Steel is basing its next five-year plan on the number of deutschmarks you can buy for a pound? If so, then Sir Brian Moffatt ought to get out of the steel business fast and go into the for-

ign exchange. With foresight like that he would make a killing.

Sadly, he does not possess any such gift. The reality behind the redundancies being spelt out to union leaders today is altogether more prosaic. British Steel was going to impose them anyway, but the spurt in the exchange rate provides a convenient excuse.

In the 1970s it was overmanning that gave British Steel its justification to wield the axe. In the 1980s it was overcapacity. Now it is that blasted exchange rate. German industrialists have grown used to living with a high exchange rate, until recently. When the average British firm is confronted with the same challenge, it induces near panic.

It is true that British Steel is unusually exposed to the £/DM exchange rate. But there is something called hedging and, when that runs out, there is something called management. In any event the relationship between exchange rates and plunging profits is not as linear as the company likes to make out. The seven-fold rise in Steel's profits between 1994 and 1995 confounds Moffatt's law, because sterling was stronger on average, not weaker.

The pound is just as likely to be back at DM2.25 in a year's time as up at DM2.85. But either way it will make no difference to the 10,000 or so workers that will be looking for a job outside of a steel mill. Make British industry more competitive by all means, but please, don't use the excuse of the exchange rate.

Soaring pound puts as many as 10,000 workers at risk Unions warn over massive job cuts at British Steel

Michael Harrison

Union leaders warned British Steel last night that they would resist any compulsory redundancies as the company prepared to spell out its plans for 5,000-10,000 job losses over the next five years.

At a meeting with senior British Steel executives in London today, the unions will be told that job losses will need to rise "significantly" from their current level of 1,000 a year if the company is to maintain its competitiveness in the face of the strong pound and cheap imports.

Meanwhile a Labour MP, Dennis MacShane, blamed the cutbacks on the Chancellor's "incompetence in managing the value of sterling", and claimed that the job losses could hit nearly 100 constituencies, some of them marginal Tory seats.

City analysts estimate that about £100m is wiped off British Steel's profits for every 10-percentage point rise in the value of sterling against the German mark, the currency in which steel is traded in Europe.

Profits for the year to the end of March are set to tumble from £1.1bn last year to about £400m-£450m as the pound has appreciated by more than 10 per cent against the mark and some analysts are predicting in profits for 1997-98 of just £150m.

A British Steel spokesman said that it had originally planned to introduce the job losses over a four to eight-year period as part of a wider cost efficiency programme, but it had been brought forward because of the exchange rate threat to its competitiveness.

He stressed that none of the group's four integrated steel plants - Llanwern and Port Talbot in South Wales, Scunthorpe and Teesside - or its engineering steels division in Rotherham was threatened by closure.

But he could not rule out

British Steel's fluctuating fortunes

| Year | Profit (£m) | Output (m tonnes) | W/force | Market share (%) | DM/£ |
|--------|-------------|-------------------|---------|------------------|------|
| 1992-3 | 169 | 12.5 | 46,000 | 56% | 2.85 |
| 1993-4 | 86 | 12.7 | 41,000 | 56% | 2.40 |
| 1994-5 | 578 | 13.4 | 40,000 | 56% | 2.50 |
| 1995-6 | 1,002 | 15.6 | 50,000 | 58% | 2.25 |
| 1996-7 | 400 | 16.0 | 54,000 | 60% | 2.45 |

estimated

forced redundancies. "Initially, the job cuts will be sought through voluntary means but inevitably there will have to be some compulsory redundancies," he added.

The unions were forewarned of the cutbacks in a letter from the British Steel chairman, Sir Brian Moffatt, and will be formally notified of the plans today. The Amalgamated Engineering and Electrical Union's national officer Bob Shannon said it would seek urgent clarification of the job losses, adding: "We

will resist any attempt at compulsory redundancies."

Keith Brookman, general secretary of the Iron and Steel Trades Confederation, said: "We are extremely concerned about the effects that unfair, illegally subsidised imports and the rising strength of the pound are having on British Steel's profitability and the knock-on effect that has on jobs." Mr Brookman said the union has been given no specific details of job losses.

Mr MacShane, the Labour

MP for Rotherham, called for an urgent meeting with the Chancellor to discuss ways of stopping the wild rise and fluctuations in sterling which were threatening mass job losses.

"Ken Clarke has deliberately chosen to let sterling rise to help fuel his pre-election boom," he added.

British Steel has been warning for some months about the threat to profits from the pound's rise. In 1995-96, the average pound/mark exchange rate was DM2.25 but in the current financial year it has averaged DM2.45 and may well be higher in the coming year based on the present level of sterling.

About 30 per cent of British Steel's £8bn revenues are directly or indirectly in marks. But the group estimates that four-fifths of its sales are affected by the value of the German currency because it determines how competitive British Steel is against Continental imports in the UK market, where the company's share of sales is around 60 per cent.

The strength of the pound also affects the competitiveness of British Steel's customers, particularly those in the car and engineering industries.

However, a strong pound also has a beneficial effect by making it cheaper for British Steel to import raw materials such as the iron ore and coking coal which are priced in dollars. Against this it also now generates 20 per cent of its annual sales in dollars.

The company stressed that the efficiency programme would not just centre on job cuts. The group is also looking at ways of improving raw material procurement and its use of information technology.

Merrill Lynch recently cut its 1997-98 profit estimate from £650m to £280m, based on an average pound/mark rate of DM2.60 throughout the period. Other City forecasts are pitched at around £300m to £400m.

Other victims of the pound

LONRHO

Lourrho has warned that the strong pound, combined with falling precious metal prices, could lower half-year profits by one-third. That would imply a profit fall of about £19m from the £58m it made in the first half of last year. Lourrho is one of the world's largest producers of gold and platinum. Gold prices are down from \$415 an ounce in February, 1996 to \$351.

ICI

ICI said that if the pound stays at its current levels it will knock £80m-£90m off profits this year. Sterling's strength cost ICI £15m in the final quarter of 1996 but the impact for the year as a whole was negligible. The group says that every one cent rise in sterling against the dollar knocks £5m off profits.

KINGFISHER

Analysts said that the strong pound could knock 10 per cent off profits at the French group Darty, Kingfisher's electrical retail subsidiary this year. Profits at Darty were flat at £113m last year in local currency terms. It was the only Kingfisher division not to produce record profits.

ICI

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Securicor warning of Cellnet hit

Chris Godsmark
Business Correspondent

Doubts about the trading performance of Cellnet, the UK's second-largest mobile phone company, intensified yesterday after its 40 per cent shareholder, Securicor, issued a profits warning.

Roger Wiggs, Securicor chief executive, told shareholders at the annual general meeting that profits for the six months to the end of March would be hit by a mixture of

trading losses and exceptional charges totalling £27m. Of these, £21m stem from Securicor Cellular Services, a subsidiary which acts as a wholesaler for Cellnet mobile phones. Securicor shares fell 21p to 294.5p.

The warning came less than three weeks after the abrupt resignation of Howard Ford as Cellnet's managing director, though Securicor yesterday refused to elaborate on reasons for the departure. British Telecom owns the other 60 per cent

of Cellnet. Chris Shircliffe, Securicor finance director, said: "It wasn't in any way a form of retribution. We have confidentiality agreements with Cellnet's majority shareholder, BT, and you will have to talk to them."

Securicor said the cellular subsidiary, which has 400,000 subscribers, was likely to lose £3m in the first half of this year. Mr Shircliffe warned similar losses could continue into 1998. Securicor will also write-down £18m off the val-

ue of mobile contracts in its accounts because people are leaving the Cellnet network at a faster rate. The remaining £6m of the profits warning related to start-up costs at Securicor's US radio joint venture, which it warned would not break even until 1999/2000.

Mr Shircliffe defended Cellnet's record last night. "Cellnet is still very well placed indeed. It's the overall market and not just Cellnet which has changed so rapidly."

Carpentbaggers rush to join Co-op

Nigel Cope

The Co-op has been inundated with carpentbaggers seeking membership of the movement in the hope of receiving a building society-style windfall if the Co-op is broken up.

The Co-operative Retail Society says it signed up 1,000

members in one day, while the Co-operative Wholesale's headquarters in Rochdale has received hundreds of calls.

The gold rush has been prompted by claims from Andrew Regan's Lancia Trust that he would bypass the Co-op's board and offer £1,000 to each of the CWS's 500,000 members if his attempt

to buy parts of its non-food interests proved successful. Co-op membership only costs £1.

The news is reported in a front page story in the latest issue of *Co-operative News*, which slams Mr Regan for misleading the carpentbaggers.

Under the headline "Have you got £8bn Mr Regan?", the

article says he would have to extend his offer to the movement's 8 million members. It criticises Mr Regan as a misguided predator who does not understand the Co-op's workings. "Mr Regan seems to be becoming increasingly desperate in his attempts to acquire parts of the Co-operative movement," it says.

Guinness warns of £100m hit from sterling

Toni Stevenson
City Editor

The soaring pound would hit Guinness's 1997 profits by £60m and there could be a further £40m hit next year if sterling maintained its current strength, the finance director, Phil Yea, said yesterday.

News of the currency hit took the shine off full-year results that showed an otherwise encouraging return to growth after years of stagnation. The shares focused on the better trading news and the hint of further share buy-backs to come, closing 15.5p higher at 501.5p.

Profit before tax of £975m was pegged back by the extra interest paid on borrowings to fund last March's buy-back of 5 per cent of Guinness's shares. But for that, said the chairman,



Cheers: Guinness chairman Tony Greener (left) and Brendan O'Neill, who heads the brewery operations, celebrate improved company results

Tony Greener, profits would have broken through the £1bn barrier for the first time. Thanks to the reduction in the equity base, which shrank further in January by the company of part quisation by 20 per cent holding, earnings per share were 6 per cent higher on a comparable basis at 34.8p. The dividend for the year rose 8 per cent to 16.1p.

Despite a 10 per cent increase in marketing spend at United Distillers, volumes of spirits

rose by just 1 per cent around the world, with Scotch falling by 1 per cent, although the US market showed better growth in big brands than for many years. Price rises were hard to come by, averaging just 1.5 per cent. Divisional profits as a result were only £1m higher at £678m.

At home, the cost of maintaining a strong line on pricing, in a bid to reverse the downward spiral of price promotions and refocus on brand building, was a 9 per cent fall in profits. Overall marketing spend in-

creased in the UK by 24 per cent and Mr Greener said the pain taken in 1996 had laid a strong foundation for growth this year.

In the smaller brewing arm, profits also nudged higher from £270m to £283m after strong growth in stout sales around the world was offset by weakness in the Spanish operation, Cruzcampo, and the cost of rolling out the Guinness brand into new markets. Marketing investment in Guinness has risen by 75 per cent since 1993.

Investment column, page 22

Highlights from Standard Life's Annual Report and Accounts for the year ended 15 November 1996

The Group

- Group assets under management increased by some £6bn to just under £50bn. Total new premiums worldwide increased by almost 30% to £2.6bn.
- For companies such as Standard Life, which are financially strong and operationally efficient, mutuality is clearly in the best interests of current and future policyholders. The Company is, therefore, not presently considering demutualisation.

Germany

- Significant progress has been made in building a business in Germany following the opening of an office in Frankfurt.

Spain

- 1996 was a very successful year for Prosperity SA which now sells through 31 branches. Total new premiums increased by 40%.

India

- Standard Life continues to work with its joint venture partner, Housing Development and Finance Corporation, on the initial preparatory work required to set up a new life assurance company.

China

- A Representative Office was opened in Shanghai and a General Manager (Pacific Region) was appointed in April.

United Kingdom

- 1996 was an exceptional year for new business, with an increase in total new premiums of over 40%.
- Standard Life's reputation with Independent Financial Advisers as the premier life assurance company was reflected in the awards received from them during the year; these included 'IFA Company of the Year'.
- The Company took possession of a new Head Office in Lothian Road, Edinburgh.

Canada

- Investment performance was again in the top quartile in independent surveys.
- The Company undertook a number of initiatives designed to meet the needs of its customers including the launch of a Customer Services Centre and the introduction of a Customer Satisfaction Guarantee.

Republic of Ireland

- Annual premium new business increased by nearly 20% and single premium business by almost 90%.
- Group pensions business also grew strongly as a result of outstanding investment performance.

The Standard Life Assurance Company* is a mutual company registered in Scotland (no 524). Head Office Standard Life House 30 Lothian Road Edinburgh Tel (0131) 225 2552. The Standard Life marketing group includes Standard Life Pension Funds Limited*, Standard Life Trust Management Limited*, Standard Life Fund Management Limited*.

*Regulated by the Personal Investment Authority. †Regulated by IMRO.

business

Guinness's price policy makes sense

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Guinness has been bad for its shareholders for years now, but the past six weeks have provided a healthy tonic. Following an upbeat trading statement in January, borne out by yesterday's full-year figures, the Johnnie Walker to stout group's shares have risen almost 30 per cent to yesterday's close of 501.5p from a year's low of 420p. The hangover from the consumer party of the 1980s may not be over, but the head is at last clearing.

The £1bn profit mark remained elusive in 1996, but only Guinness claimed, because of the extra interest it had to pay to fund last March's share buy-back. That left pre-tax returns at £975m, but naturally gave a fillip to earnings per share, which at 34.8p were 19 per cent up on last year's provisionally hit figure and a 6 per cent better on a comparable basis. The dividend rise of 8 per cent to 16.1p means the stock has outstripped the rest of the market on that measure over the past five years, if not on others.

The company is plainly on the mend, benefiting from the decision a year or so ago to end the folly of price promotions in its spirit arm in favour of the tried and tested, if expensive, technique of building its enviable portfolio of brands. The first evidence of improvement started to show through in the US last year, where for the first time in ages all Guinness's so-called power brands - Johnnie Walker, Dewar's, Tanqueray and Gordon's - increased volumes. Prices moved ahead too, although the progress is pretty glacial.

Getting the rest of the industry to follow suit on pricing has not been easy and in the competitive home market spirits' profits slipped 9 per cent as the decision to hold the line on prices hit volumes.

It is clearly the right approach, however, and the benefit will start to flow this year. In the rest of the world, volumes moved ahead nicely and developing markets now account for 44 per cent of divisional profits, up from 30 per cent five years ago.

Brewing is doing well as Guinness finally gets to grips with exploiting its stout's unassailable brand around the world. Again, the cost of achieving an 8 per cent rise in draught Guinness volumes was sizeable in marketing terms but last year's advertising sets a nice platform for growth. If beer was the group's dominant product, not mature spirits, it would be set even fairer than it is.

As it is, however, the unresolved problems at Cruzcampo in Spain (where profits of £22m on investment of £900m remain pathetic) and the likely £60m hit from the soaring pound mean Guinness will struggle to do better this year than last. That puts the shares, up 15.5p yesterday in the face of a tumbling market, on a prospective price/earnings ratio of 15. That is bad

to justify on the basis of profits growth, which is likely to remain pretty pedestrian, but continuing strong cash flow will ensure that buy-backs will progressively reduce the equity base. Fair value.

Rugby still struggling

The painful process of managing decline continues at building products group Rugby. In January, a net 350 jobs will go as a result of the recent acquisition of Boulton & Paul for an initial £15.5m, with factories closing this week at Burton-on-Trent and Maldon, Essex.

The Boulton & Paul deal made Rugby the biggest supplier of doors in the UK but buying dominant market share and cost leadership means little in a low-inflation environment where demand is, at best, patchy.

Last year a 2 per cent drop in joinery turnover knocked 35 per cent off pre-tax profits. Last year's 2.5 per cent fall in cement volumes dented profits there by 12 per cent to £16.6m.

In US manufacturing and distribution, which accounts for 40 per cent of sales, profits nudged ahead to £11.9m from £10.2m. Action is also being taken here to cut costs, especially in building products where profits fell. Australia suffered from what Rugby claims is the sharpest housing downturn since the early 1970s, though it cannot be talking about Sydney, which has become a boom town ahead of the Olympics.

All this meant that across the group pre-tax profits before one-off items dropped by 14 per cent to £63.5m on flat sales of £1.14bn. Pre-tax profits fell from £68m to £63.5m, though the dividend was held at 2.1p.

Rather belatedly, Rugby is getting round to the idea of translating profits at average rates - as most of its peers have been doing for years. Currency movements lopped £3m off the bottom line last year.

Rugby says price rises in the UK of up to 10 per cent since the year-end appear to be sticking but having proclaimed so many false dawns before, it is right to be cautious.

So should investors. Plans to invest £120m in a new cement factory at Rugby will increase net capacity by almost 20

per cent when it comes on-stream towards the end of 1999. That looks like throwing good money after bad.

And the outlook in the US is just as bad, with the number of housing starts falling and interest rates poised to go up.

Profits of £68m rising to £89m in 1998 put the shares, down 2p at 114p, on a prospective p/e ratio of 16 falling to 12. The discount to the sector is deserved. Unattractive.

Kwik-Fit looks a lot fitter

Kwik-Fit, the fast-fit car parts group founded and run by the irrepressible Tom Farmer, has done well since its *annus horribilis* five years ago, when profits collapsed, and the high operational gearing which hit the group then should increasingly work in reverse this year.

Certainly the 19 per cent jump in pre-tax profits to £43.3m for the year to February looked creditable against a 17 per cent rise in turnover. However, that increase looked less impressive when account is taken of the £8.2m gain recorded on the sale and lease-back of 40 Kwik-Fit depots, even if it was offset in part by the £5.1m write-off of the development costs of the fledgling insurance broking operation. In fact, the underlying profits growth in the existing business was 5 per cent and overall operating margins were flat at just over 10 per cent.

Mr Farmer, who saw his own pay rise from £942,000 to £1.12m last year, blamed the margin restraint on a regular five-yearly upgrade of fitters' salaries, which helped boost staff costs by a fifth last year. The absence of that one-off this year should allow a bigger proportion of sales to filter through to the bottom line. And despite the maturity of many of its markets, Kwik-Fit's pursuit of market share has already seen 1996 sales increase ranging from 9 per cent in exhausts to 26 per cent in tyres as it launched into the fleet market.

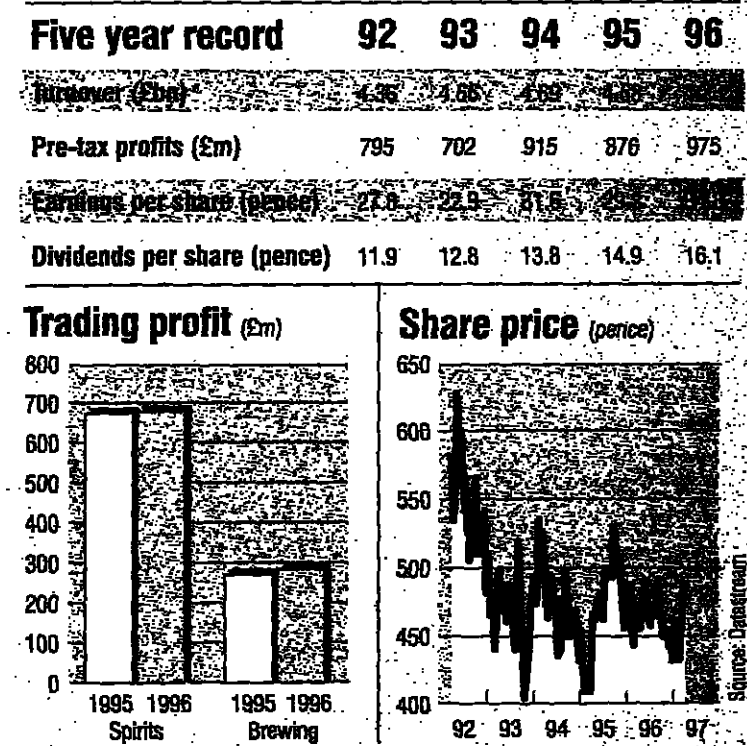
The group has 50 greenfield sites in the pipeline to add to its current total of 866 fast-fit outlets stretching from Ireland, across the UK to Holland and Belgium. That should take it well on the way to the target of 750 in the UK.

But the real excitement lies in insurance broking, which has broken into the black after just 18 months, turning a £900,000 first-half loss into £2m profits in the second six months. The ground is not as fertile as when Direct Line started, but there is clearly plenty of scope to capitalise on the Kwik-Fit brand.

Underlying profits raised 15 per cent to £46m this year would put the shares, up 0.5p at 241p, on a forward multiple of 13. Attractive.

Guinness: At a glance

Market value: £9,470m; share price 501.5p



Tesco set to buy Irish supermarkets

Nigel Cope
City Correspondent

Tesco is on the verge of sealing a £600m deal with Associated British Foods that would give it control of the food group's Irish supermarkets. The deal could be announced as early as today.

Talks between the two parties stalled on Thursday over price but Tesco and ABF returned to the negotiating table yesterday to thrash out terms. "We can confirm that there are ongoing discussions between the board of Tesco and Associated British Foods," Tesco said.

The news emerged as William Morrison, the Yorkshire-based supermarket group, announced plans to create a further 2,250 jobs next year as it opens its first stores in the south of England.

The Tesco deal with ABF would give the UK supermarket giant control of three Irish trading formats - Quinsworth in Southern Ireland and Stewarts and Crazy Prices in Northern Ireland. Tesco would become the largest supermarket group in Ireland with a market share of between 20 and 30 per cent in Northern Ireland and the Irish Republic. The three groups recorded combined sales of £1.3bn last year and profits of £60m.



The board of Tesco, chaired by Lord MacLaurin (above), has been in talks with Associated British Foods

The threat of Tesco's dominance could prompt one of the other UK supermarket giants to make a last-ditch attempt to snatch the deal from under Tesco's nose. Sainsbury has been developing stores in Northern Ireland and Sainsbury has been in talks with Wellworth, an Ulster chain. Sainsbury looked at the ABF business and Wellworth two years ago and ruled out a deal.

With food prices up to 60 per cent higher in Ireland than in Britain, the UK supermarket giants have been eyeing the market jealously. It is thought they could be able to cut prices by 5

per cent with their greater buying power and economies of scale. However, the market is very competitive, particularly in Northern Ireland, and distribution is tougher because of a poorer network.

Separately William Morrison, the Bradford-based supermarket, announced plans to open its first stores in southern England. Announcing the creation of 2,250 jobs next year Morrison said it would open branches in Erit, Kent, and Banbury, Oxfordshire.

Morrison also announced a 7 per cent increase in pre-tax profits to £135.8m.

National Express hints at further rail job cuts

Michael Harrison

The transport group National Express yesterday hinted at significant job cuts in its passenger rail businesses as it announced that it made a £2.1m profit last year from the first two train franchises it took over.

The group also disclosed that 4,000 employees of the bus company West Midlands Travel, which it acquired in 1995, will share in a £31m share bonus worth an average of £7,800 each through a loyalty bonus to be paid in May.

National Express is now Britain's biggest rail operator

after winning five of the 25 passenger franchises. It will receive a total of £2.9bn in subsidies over the next seven to 15 years.

Midland Mainline, the Inter-City service from London's St Pancras, made a £1.6m operating profit in the last eight months of 1996 after receiving £11m of taxpayers' support. The underlying operating loss, excluding £1.8m of exceptional charges to cover redundancies, was £7.6m. In its last full year in public ownership, the line made a loss of £11.8m.

The Gatwick Express line, also taken over last April, made a £500,000 profit after a £3m pay-

ment to the Government and £900,000 exceptional charges. National Express has cut about 300 jobs from the two franchises - equivalent to an 18 per cent staff reduction. If it imposes the same level of job cuts at its three new franchises - ScotRail, Central Trains and North London Trains - it could mean a further 1,400 job losses.

Phil White, chief executive, would not be drawn on the precise level of job losses but he said there was significant scope for cost savings.

He was speaking as the group announced a 45 per cent rise in pre-tax profits last year to £50.1m.

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IN BRIEF

• Ocean Group, the logistics, marine and environmental services group, said it had sold its offshore support services business OIL for £328m. OIL supplies marine services to the offshore oil and gas industry with a fleet of around 100 vessels operating in the North Sea and around the world. In the year to December it made an operating profit of £21.1m and had capital employed of £91.8m.

• Finelist has agreed to buy Maccoss Group from Heywood Williams for £23m cash plus the repayment of £9.6m debt. The deal will be financed by a placing and open offer of 12.5 million new shares at 34.5p. It is Finelist's second cash call in three months and will raise about £41m. Maccoss, which distributes branded and own-label motor accessories, car care products and replacement parts, made an operating profit of £3.9m in 1996.

• Pre-tax profits at brick maker Istock fell from £26.1m to £8.3m, hit by poor trading from both its pulp and brick operations and the £4m cost of restructuring the business following the £166m acquisition of Redland's brick manufacturing business last year. According to the company, the price of bricks remained at the lowest level for several years.

• Geest made an £18m profit on the sale of its banana business to Fyffes, but even before the one-off boost operating profits doubled after good growth in convenience foods, the disposal of loss-making businesses and improved capacity utilisation. Profits before tax and exceptional rose 73 per cent to £17.3m.

• Hanson has made its first acquisition since a four-way split broke up the former conglomerate. The company, which is now focused on building materials, bought Concrete Pipe and Products in the US for £78m. Headquartered in Richmond, Virginia, CP&P made an operating profit of £10m in the year to December.

• The Monopolies and Mergers Commission report into Bass's proposed takeover of Carlsberg-Tetley is expected to be handed to Ian Lang, Secretary of State for Trade and Industry, on Monday before being put to one side for the duration of the election campaign. As a result, a decision on any concessions to be made by Bass might not be made before June or July, industry sources said.

• Groupe Chez Gerard has bought two of the Savoy Group's three London restaurants, the Grill St Quentin and Brasserie St Quentin, for £2m. The deal follows the recent acquisition of Livebait, a fish restaurant near Waterloo station.

| Company Results | | | | |
|---|-----------------|-------------------|-----------------|---------------|
| | Turnover £ | Pre-tax £ | EPS | Dividend |
| Alfred Heat Vickers (F) | 358.4m (207.1m) | 14.52m (10.42m) | 34.05p (18.94p) | 11.0p (8.8p) |
| Albright & Wilson (F) | 857.2m (744.2m) | 62.5m (55m) | 18.5p (12.4p) | 6.9p (6.9p) |
| APV (F) | 772m (881.3m) | 15m (25.3m) | 6.9p (7.2p) | 2.7p (2.7p) |
| Aspen Concrete (F) | 91.3m (220m) | 1.58m (1.18m) | 8.2p (14.9p) | 0.25p (0.25p) |
| Boulogne (F) | 240.5m (208.4m) | 0.08m (0.05m) | 19.5p (8.4p) | 2.3p (2.0p) |
| Bridson Colliers (F) | - (-) | 35.12m (56.13m) | 12.07p (11.58p) | 0.9p (0.9p) |
| Cambridge Scientific (F) | 7.08m (1.1m) | 400.00m (36.5m) | 5.0p (25.4p) | 19.3p (19.3p) |
| Geest (F) | 491.5m (560.8m) | 32.3m (400.00m) | 37.1p (3.5p) | 6.4p (8.1p) |
| Gillies (F) | 4.78m (4.88m) | 97.5m (67.8m) | 35.1p (28.4p) | 18.1p (14.9p) |
| JOBS (F) | 270m (240m) | 88.1m (64.8m) | 85.85p (61.36p) | 1.5p (1.5p) |
| Black & (F) | 267.2m (250m) | 0.28m (26.1m) | 1.85p (8.8p) | 2.2p (2.0p) |
| John Laing (F) | 1.28m (1.2m) | 24.3m (20.1m) | 17.7p (19.5p) | 6.5p (6.0p) |
| Keller (F) | 228m (218m) | 12.52m (11.15m) | 13.9p (11.7p) | 5.5p (-) |
| Kwik-Fit (F) | 428.5m (365.4m) | 43.3m (36.3m) | 17.2p (14.7p) | 5.9p (5.9p) |
| Mutifide (F) | 242.2m (243.1m) | 13.2m (8.0m) | 5.7p (5.7p) | 2.35p (2.25p) |
| Merwin (F) | 66.2m (55.1m) | 491.00m (8.4m) | 0.21p (3.14p) | 0.87p |
| WHL Morrison (F) | 2.2m (2.1m) | 138.6m (127.1m) | 11.01p (10.67p) | 1.7p (1.4p) |
| National Express (F) | 482.5m (577.7m) | 60.1m (41.5m) | 42.9p (33.5p) | 8.1p (7.9p) |
| Quinsworth (F) | 403.4m (46.4m) | 15m (42.4m) | 4.2p (13.5p) | 2.6p (8.5p) |
| Richardson Wraith (F) | 117.4m (104.5m) | 3.58m (4.83m) | 10.1p (8.6p) | 4.1p (3.5p) |
| Rugby Group (F) | 1.18m (1.14m) | 92.8m (45.8m) | 3.3p (3.6p) | 3.8p (3.6p) |
| Sainsbury (F) | 158.3m (127.8m) | 7.14m (5.97m) | 12.7p (10.7p) | 5.1p (4.3p) |
| Steel Earth James (F) | 40m (43.1m) | 2.27m (2.71m) | 3.62p (7.57p) | 1.5p |
| Tetley (F) | 63.5m (66.5m) | 4.91m (8.79m) | 28.07p (17.58p) | 0.1p (0.1p) |
| Underhill (F) | 92.8m (77.2m) | 418.00m (225.00m) | 8.67p (10.76p) | 0.1p (-) |
| (F) - Final (F) - Interim (F) - Five months | | | | |

Lower share prices shake Newcastle

Patrick Tocher

This week's sharp fall in share prices has heightened concerns among institutional investors about prospects for Newcastle United's stock market flotation and virtually ensured the offer will be priced at the lower end of the indicated price range.

Newcastle's placing, which closes today, aims to raise £47.7m, valuing the Premier League club at between £172m and £193m. The offer to retail investors, aimed mainly at fans, ended yesterday.

But leading fund managers, worried about falling equity prices, were last night deciding whether to subscribe or not. "We don't have a view on it yet," said a spokeswoman for one financial institution. "Football clubs are difficult to value."

Football analysts said Newcastle's triumvirate of advisers - NatWest, Deutsche Morgan Grenfell and Salomon Brothers - would do everything in their power to avoid an embarrassing flop.

The float will get away but there are definitely questions that have not been answered," said Guy Batram of Greig Mid-

leton. "I can understand why people are uncomfortable with the issue."

Proceeds from the float will be used to pay off £21m of debt. But concerns centre on how the club will fund plans to abandon its St James' Park home for a new £90m stadium, replace stars such as David Ginola and Peter Beardsley, and develop a neglected youth policy without asking shareholders for more money.

The continued role of Sir John Hall in the running of the club has also raised eyebrows. Sir John, whose Cameron Hall property company will remain the majority shareholder after flotation, is stepping down from the main board but will remain chairman of the football club.

Despite the shaky state of stock markets, a spokeswoman for NatWest, brokers to the issue, insisted the flotation was going well. "The retail offer is going to be hugely oversubscribed," she said.

As Newcastle put the finishing touches to its flotation plans Tottenham Hotspur announced a rise in operating profits before transfer fees of £1.1m (£6.3m) in the six months to January.

PowerGen takes full control of Kinetica

PowerGen, the privatised electricity generator, unexpectedly moved yesterday to take full control of Kinetica, its troubled gas joint venture with Conoco, which has been struggling under a burden of loss-making supply contracts, writes Chris Godsmark.

The news did not impress investors, coming on top of analysts' downgrades. PowerGen shares dropped 17p to 386.5p. Conoco, part of the giant US DuPont chemical empire, said the pairing had been "entirely amicable". PowerGen will not pay any cash to its partner, but will spend £18m paying off Conoco's share of Kinetica's debts. Michael Haines, PowerGen's director of marketing, will take over responsibility for the gas business, and Kinetica's managing director, Norman Ellis, will leave the company. The "take or pay" contracts to buy gas at inflated prices, sim-

ilar to British Gas's, will be shared roughly equally between PowerGen and Conoco. They account for about 80 per cent of the 960 million therm of gas sold by Kinetica to 11,400 customers last year.

Kinetica, formed in 1990, was caught out when the market price of gas crashed in 1995 from 20p a therm to less than 10p. PowerGen also confirmed plans to make a £69m exceptional charge in its accounts this year.

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market report / shares

Greenspan stirs up markets as rate fears prompt falls

Taking Stock

MARKET REPORT

DEREK PAIN

stock market reporter of the year

Equities suffered their worst fall for 15 weeks as political uncertainties and the spectre of higher interest rates sent investors running for cover.

In often busy trading, with turnover inflated by bed and breakfast deals, Footsie crashed 74.1 points to 4,258.1. And second liners, which normally limp behind blue chips, slumped with the leaders as the FTSE 250 index crashed 87.7 to 4,565.2. According to Seag, the stock market's turnover approached 1.2 billion shares.

Since John Major called the election on Monday, Footsie has slipped and slithered more than 160 points and the supporting index lost around 140 points.

Alan Greenspan, the US banking chief whose "cool" comments prompted the last slump, could claim much of the credit for the setback. His testimony to a congressional committee convinced many

observers that US rates will be lifted next week, prompting the predictable reaction in New York.

Domestic rates also loomed large in the market's thinking. Although expected to remain unchanged until after polling day, there is a growing impression that which ever party wins it will be forced into a sharp increase, probably a full point or even more.

The election rhetoric is also taking its toll, prompting private investors to lock in profits.

Some strategists have suggested that if financial shares crack then the market's long bull run is over and a sharp correction, possibly taking Footsie to 3,800, will occur. Well, money related shares led the retreat. The poorest performing blue chip was Bank of Scotland, off 24p to 315.5p.

Commercial Union, GREL, Gal & General, Lloyds TSB and Barclays were in hot pursuit.



Guinness, on results, and engineer Siebe, reflecting a rumoured buy circular, managed to resist the downward pull. So did the superstore chains, partly on the back of a bullish research document. Tesco, up 5p to 339p, confirmed it was in talks to buy Associated British Foods' Irish supermarket chain; ABF held at 511.5p.

Stagecoach remained under the whip of its South West Trains fiasco, falling 17.5p to 671.5p; the shares have fallen from 799.5p this year.

The telecom excitement evaporated, BT, after an early gain, ended 3p lower at 458.5p and Cable & Wireless fell 20p to 489p as this week's ru-

moured activity appeared to reduce the chance of a bid.

Three newcomers braved the jitters and managed to make impressive debuts. London Bridge, a software house, was at one time sporting a 78.5p plus over its 200p placing; it closed at 261.5p. KCB Advanced Technology, an oil industry consultant, closed at 247.5p from a 195p placing and Total Office, providing office management services, traded at 152.5p from 145p. Distributor Donatantonio, placed at 70p, ended at 71.5p.

But an Olex debutante stole the new issue show. Bookshop Co UK closed at 195p from a 100p placing. The com-

pany, which had 250 applications from Internet investors, is Britain's largest web book retailer. Based in Oxford it has 894,000 books which it offers for sale to Internet users.

Jarvis, the construction group with rail maintenance interests, was one to buck the trend. It gained 16.5p to 240p; a year ago the price was 24.5p. The latest run was prompted by a £3.15m development for the Inland Revenue by a company in which it has a 34 per cent interest.

Telspan, more than 800p last year, recovered 30p to 227.5p, despite a near £10m loss. The market decided the worst was over and the telecom equipment group should make profits of £5m this year.

Cententone, the paint group, firmed to 52.5p as it confirmed Indian tycoon Vijay Malviya was in talks to sell his near 34 per cent interest. The warrants added 2.5p to 14p.

Rowden, the engineer, held at 91.5p. Since denying on Monday it was in takeover talks it is rumoured to have received a tentative approach, possibly from Charter. The engineer is valued at £270m.

British Building & Engineering gained 9p to 64.5p as Britannia, which has been stake building and has around 12 per cent of the capital, revealed a takeover approach. BB&E has in the past not appeared too impressed by a possible Britannia embrace. Britannia shares held at 29.5p.

Drugs were mixed. Shield Diagnostic fell 47.5p to 620p but Cantab Pharmaceuticals enjoyed Lehman Brothers support, adding 10p to 1,022.5p.

BLP, the wood laminate and moulding group, achieved the day's best gain - a 37 per cent advance to 145p. Profits up from £216,000 to £1.4m and an upbeat trading statement provided the spur.

Steve Morgan, chairman and creator of the Redrow building group, has realised £26m by selling 25 per cent of the capital at 158p. The disposal reduces his holding to 34.3 per cent and was signalled earlier this month. BZW and Cazenove handled the sale. Its shares faded 1.5p to 164p.

Albert Fisher, the food group, shaded to 43p but Ray Caley at stockbroker Hitchens Harrison thinks the shares could triple in the next 18 months. He believes Fisher will maintain its dividend, retaining FTSE 250 status, and points out that some director options are at 100p. Restructuring is largely finished and profits should move ahead.

ABN Amro Hoare Govett, known to be keen to increase its fund management side, may bid for Capel-Cure Myers Capital Management.

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share. Excluding exceptional items. Other details: Fx rights x Ex dividend x Ex all x United Securities Market's Suspended x Parity Paid x Nil Paid Shares x 2 AM Stock. Source: FT Information

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| UK Stock Market Report | 01 | Bullion Report | 05 | Water Shares | 39 |
| UK Company News | 02 | Wall St Report | 20 | Electricity Shares | 40 |
| Foreign Exchange | 03 | Tokyo Market | 21 | High Street Banks | 41 |

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Market leaders: Top 20 volumes

| Stock | Volume | Stock | Volume | Stock | Volume | Stock | Volume |
|---------------|---------|---------------|---------|---------------|---------|---------------|---------|
| British Steel | 250,000 | British Steel | 250,000 | British Steel | 250,000 | British Steel | 250,000 |
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FTSE 100 index hour by hour

| | | |
|-----------------------|-----------------------|-----------------------|
| Open 4321.1 down 237 | 11.00 4308.5 down 237 | 14.00 4291.8 down 434 |
| 09.00 4308.2 down 260 | 12.00 4300.1 down 321 | 15.00 4288.4 down 438 |
| 10.00 4302.5 down 287 | 13.00 4295.5 down 387 | Close 4281.1 down 741 |

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| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| Stock | Price | Change | Stock | Price | Change | Stock | Price | Change |
|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |
| British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 | British Steel | 250.00 | +1.00 |

| | | | | | | | | | |
|----|------------|---------|--------|----|-----|------|---------------------|--------|----|
| 70 | Manx | 225 | +7 1/2 | 1 | 261 | 3595 | Stirling City | 45 1/2 | -1 |
| 30 | Nova Group | 34 | - | 55 | 84 | 2644 | Stirling City | 45 1/2 | -1 |
| 64 | P & P | 29 | - | 21 | 289 | 4692 | Cambridge Mill Race | 54 1/2 | -2 |
| 13 | Page M | 540 | - | 21 | 121 | 5529 | Cow Group | 301 | - |
| 6 | Page M | 522 1/2 | +1 1/2 | 10 | 264 | | Dobbin Garden City | 280 | - |
| 92 | Penny | 388 1/2 | -1 1/2 | 10 | 289 | | Donnerstag | 71 1/2 | - |

business

MPs warn on cost of power shake-up

Chris Godsmark
Business Correspondent

A cross-party Commons committee yesterday warned the electricity regulator, Professor Stephen Littlechild, not to rule out delaying next year's planned introduction of domestic power competition.

In a damning report, MPs on the Trade and Industry Select Committee also cast serious doubt on whether the costs of introducing competition, a complex process involving the construction of a plethora of new computer networks, could outweigh the benefits. It said the Government should step in to make an independent assessment of the costs involved as a matter of urgency.

Martin O'Neill, the Labour committee chairman, urged the industry to consider a short delay to the timetable set by Professor Littlechild if they could not guarantee an orderly move

towards residential choice. The plans envisage competition extending to 25 million households between April and September 1998 in four phases.

"It'll be a damn close thing if it works on time. The problem is that if you give the electricity companies more time to implement competition, they will undoubtedly take it," said Mr O'Neill.

Senior industry figures and consumer groups have repeatedly warned that some electricity companies will fail to meet the timetable, blaming lack of co-ordination between the regulator, the Government and the businesses themselves.

The 12 regional electricity companies (RECs) in England and Wales, along with Scottish Power and Scottish Hydro-Electric, have been spending hundreds of millions of pounds on complex computer systems which can track customers as they change supplier.

The report said that the problem of building new metering systems had still not been fully appreciated by the Electricity Pool, the body which runs the wholesale power market.

It said Professor Littlechild should urgently carry out a consultation exercise with the industry and consumer bodies and report on which companies were the most likely to fail to meet the target. One suggestion is that Ofwat, the regulator's watchdog department, should consider fining companies who do not carry out proper tests of systems in the run-up to next April.

The most damaging charge is that the whole process, which only affects the 6 per cent of household bills, may not be worth it in the first place. Ofwat estimated it would cost the industry £210m. The report said not one of the companies believed this was realistic, with many experts quoting a figure of £500m.



Short-circuit: Martin O'Neill, the committee chairman, is worried that competition plans may come to grief

You can't report quicker than a Kwik-Fit board

PEOPLE & BUSINESS

Tom Farmer, chairman of Kwik-Fit, has always prided himself on getting the motor repair group's results announced as quickly as possible after the year-end.

This year, sadly, wasn't a record - Kwik-Fit's year-end came on 28 February, while the results came out only yesterday.

To make up for this uncharacteristic sluggishness, he published the annual report on the same day yesterday, a relatively rare feat.

Mr Farmer said proudly: "We managed it through a lot of hard work, effort, and good organisation due to our people in Edinburgh, and the support of our friends in Arthur Andersen."

Perhaps the company should change its advertising jingle to: "You can't get quicker than a Kwik-Fit annual report."

The irrepressible Mr Farmer is a 95 per cent shareholder in Hibernian FC. When asked whether he might use the trademark three leaping men in blue boiler suits to liver things on the touchline at Hills, he laughed and said: "I wouldn't rule it out."

Lord Archer hosted a combined whisky tasting and cartoon auction yesterday at the Clothworkers' Hall in the City, accompanied by the Lord Mayor of London, Alderman Roger Cook.

Around 150 City bidders paid £40 a head to raise funds for the Cancer Research Campaign, which spends £47m a year on research in the UK.

Lord Archer had just completed a tour of Scottish constituencies, banging the drum for the Tories north of the border. As he welcomed the guests he remarked: "I haven't been in a single room with so many people in it for a long time."



Tom Farmer: Published the annual report with results

The venture capital group 3i has appointed Michael Queen as finance director in succession to Brian Larcombe, who has moved up to chief executive.

Mr Queen, a 35-year-old squash player and swimmer who enjoys an occasional strum on the classical guitar, has been with 3i since 1987, latterly as group financial controller. He was brought up on south Humberstone and has a degree in Industrial Economics from the University of Nottingham. He qualified as an accountant with Coopers & Lybrand.

For two years to 1996, Mr Queen was seconded to the Treasury to be Ken Clarke's adviser on the fledgling private finance initiative. During that time he headed up the NHS private finance unit, a political hot potato if there ever was one. He also had a poke around education during his stint in Whitehall.

A 60-year-old barrister, Kenneth Rokison QC, is off on a 500km sponsored bike ride along the banks of the Nile in aid of Mencap. This will be hot work for the leading silk - the temperature there reaches around 50 degrees. The six-day trip begins this Saturday and is part of an

expedition by 120 cyclists who will pedal from Luxor to Aswan, across the dam there to the other side of the Nile, and then return to Luxor.

Mr Rokison, head of Chambers at the commercial set 20 Essex Street in London, will be joined by His Honourable Judge Tony Balgarny, who sits in the Inner London Commercial court.

Mr Rokison is no stranger to adventure. He has completed two Himalayan treks in the past three years, and while at Cambridge, he canoed from the Cam to Malta. He says: "I've been training in the Surrey Hills, whose undulations, I hope, will prove to be more demanding than the flatter banks of the Nile." Thoughtfully, he adds: "I will be taking my own saddle."

Robin Hardy, construction analyst at Panmure Gordon, is proving elusive. On ringing his number yesterday, all my colleague was met with was Mr Hardy's voice mail, which played a seemingly endless version of the French folk song *Frère Jacques*, with no space for a message. Obviously, for Mr Hardy it's a case of "Dormez vous?"

John Willcock

Courtaulds bullish despite profit slump

Magnus Grimond

Courtaulds Textiles, whose former chief executive, Noel Jarvis, was forced out last June, said the reorganisation programme unveiled by new management in September was moving faster than expected and within budget.

Exceptional costs of £31.7m effectively wiped out profits for last year, but the group said profits had grown in the latter six months of the year.

Reflecting its confidence in the outlook, the board is maintaining the final dividend at 10.1p, making an unchanged total of 15.3p for the year.

Colin Dyer, the new chief executive, said: "Trading in 1997 has continued the pattern of last year's second half with encouraging progress, particular-

ly in the UK and USA. At this early stage of the year, we are meeting our targets."

The company said the annual benefits of the restructuring would build to between £10m and £13m by 1998, with only a couple of million pounds coming through in the current year. With eight businesses sold since June, most of the planned disposals have been made and further exceptional costs will be limited to between £3m to £4m, the company said.

After last year's charges, pre-tax profits slumped from £36.5m to £400,000 in the year to December. Even stripping out the exceptional costs they slipped from £40.4m to £32.1m, which the company blamed on a drop in first half profits from US lace and stretch fabrics.

Stock Exchange urged to float as a company

John Willcock

The Commons Treasury Committee urged the London Stock Exchange yesterday to ditch its co-operative ownership structure in favour of floating as a company.

MPs believe that it will only push full ahead with the introduction of a American-style order-driven share trading when the whole of the stock market is represented on the Exchange.

At the moment the Exchange's board is still dominated by London market-making and broking firms, which stand to lose the most when the City sheds its traditional quote-driven share trading system. This will start in October with

order-driven trading in the FTSE 100 stocks.

The Treasury Committee's report, its fifth into the Exchange, concludes: "We can see no reason why the Stock Exchange should now not develop a corporate structure."

Yet it was the very introduction of order-driven trading which the Exchange used yesterday as its justification for not considering a float this year.

A spokesperson for the Exchange, when asked about converting to company status, said: "We do keep ownership and governance issues under review all the time. But we have a very heavy programme this year, especially with the introduction of order-driven [trading]

this October ... So although we always keep these things under review, we wouldn't be expecting to be making any other major changes this year."

The spokesperson also drew attention to part of the MP's report which conceded: "There is no 'right' answer about the most appropriate ownership structure to yield the optimal market, regulatory and public interest outcome." As for next year or later, the spokesperson said: "We have nothing further to say at the moment."

The impending upheaval in the way the City trades shares follows close on the introduction of Crest, the automated share settlement system.

Foreign Exchange Rates

| Country | Spot | 1 month | 3 months | D-Mark | Spot | 1 month | 3 months |
|--------------|--------|---------|----------|--------|--------|---------|----------|
| US | 1.5442 | 9.7 | 26.23 | 1000 | 1.5442 | 9.7 | 26.23 |
| Canada | 2.3973 | 10.56 | 27.06 | 1000 | 2.3973 | 10.56 | 27.06 |
| Germany | 2.3973 | 10.56 | 27.06 | 1000 | 2.3973 | 10.56 | 27.06 |
| France | 160.70 | 32.21 | 67.54 | 58900 | 160.70 | 32.21 | 67.54 |
| Italy | 269.33 | 36.42 | 71.94 | 16917 | 269.33 | 36.42 | 71.94 |
| Japan | 85.73 | 8.84 | 27.28 | 264.27 | 85.73 | 8.84 | 27.28 |
| ECU | 1.3675 | 24.20 | 42.35 | 34.782 | 1.3675 | 24.20 | 42.35 |
| Denmark | 55.450 | 15.10 | 32.35 | 34.782 | 55.450 | 15.10 | 32.35 |
| Netherlands | 10.245 | 25.90 | 70.19 | 264.27 | 10.245 | 25.90 | 70.19 |
| Sweden | 30.268 | 55.77 | 246.23 | 18995 | 30.268 | 55.77 | 246.23 |
| Norway | 10.167 | 25.90 | 70.19 | 264.27 | 10.167 | 25.90 | 70.19 |
| Spain | 228.21 | 125.39 | 311.01 | 143.15 | 228.21 | 125.39 | 311.01 |
| Switzerland | 12.206 | 220.50 | 640.530 | 78554 | 12.206 | 220.50 | 640.530 |
| Australia | 2.3531 | 8.84 | 27.28 | 144.69 | 2.3531 | 8.84 | 27.28 |
| South Africa | 2.0235 | 2.24 | 14.4 | 12.953 | 2.0235 | 2.24 | 14.4 |
| Hong Kong | 2.3531 | 8.84 | 27.28 | 144.69 | 2.3531 | 8.84 | 27.28 |
| New Zealand | 2.3531 | 8.84 | 27.28 | 144.69 | 2.3531 | 8.84 | 27.28 |
| Saudi Arabia | 5.5739 | 25.33 | 74.28 | 144.69 | 5.5739 | 25.33 | 74.28 |
| Singapore | 2.3531 | 8.84 | 27.28 | 144.69 | 2.3531 | 8.84 | 27.28 |

Other Spot Rates

| Country | Spot | 1 month | 3 months | D-Mark | Spot | 1 month | 3 months |
|-----------|---------|---------|----------|---------|---------|---------|----------|
| Argentina | 15543 | 0.8996 | 1.3638 | 55.0000 | 15543 | 0.8996 | 1.3638 |
| Australia | 10.167 | 25.90 | 70.19 | 264.27 | 10.167 | 25.90 | 70.19 |
| Brazil | 169.78 | 10.80 | 33.714 | 40.779 | 169.78 | 10.80 | 33.714 |
| China | 12.206 | 220.50 | 640.530 | 78554 | 12.206 | 220.50 | 640.530 |
| ECU | 1.3675 | 24.20 | 42.35 | 34.782 | 1.3675 | 24.20 | 42.35 |
| France | 160.70 | 32.21 | 67.54 | 58900 | 160.70 | 32.21 | 67.54 |
| Germany | 2.3973 | 10.56 | 27.06 | 1000 | 2.3973 | 10.56 | 27.06 |
| India | 57.2079 | 35.8550 | 275.400 | 35.750 | 57.2079 | 35.8550 | 275.400 |
| Kuwait | 0.4840 | 0.3335 | 1.0420 | 24.79 | 0.4840 | 0.3335 | 1.0420 |

Forward rates quoted low to high are at a discount; rates quoted high to low are at a premium.
 *Dollar rates quoted as US dollars per pound.
 For the latest foreign exchange rates call 0891 123 3033.
 Calls cost 50p per minute.

Interest Rates

| Country | Rate | Country | Rate | Country | Rate |
|----------|--------|-------------|-------|-------------|-------|
| UK | 6.00% | Germany | 2.50% | US | 7.75% |
| France | 3.75% | Italy | 4.50% | Japan | 5.00% |
| Spain | 7.50% | Netherlands | 2.70% | Sweden | 4.00% |
| Denmark | 4.00% | Belgium | 4.75% | Switzerland | 3.00% |
| Portugal | 10.00% | Austria | 4.00% | Finland | 4.00% |
| Greece | 10.00% | Sweden | 4.00% | Denmark | 4.00% |
| Belgium | 4.75% | Switzerland | 3.00% | Finland | 4.00% |
| Sweden | 4.00% | Denmark | 4.00% | Finland | 4.00% |

Bond Yields

| Country | 5yr | 10yr | 15yr | 20yr | 30yr |
|-------------|-------|-------|-------|-------|-------|
| UK | 7.0% | 7.3% | 7.50% | 7.6% | 7.8% |
| France | 6.25% | 6.61% | 6.90% | 7.0% | 7.2% |
| Germany | 6.0% | 6.3% | 6.5% | 6.6% | 6.8% |
| Italy | 10.0% | 10.7% | 11.0% | 11.2% | 11.5% |
| Spain | 8.0% | 8.5% | 8.8% | 9.0% | 9.2% |
| Sweden | 5.0% | 5.4% | 5.6% | 5.8% | 6.0% |
| Denmark | 4.0% | 4.4% | 4.6% | 4.8% | 5.0% |
| Belgium | 4.75% | 5.0% | 5.2% | 5.4% | 5.6% |
| Switzerland | 3.0% | 3.2% | 3.4% | 3.6% | 3.8% |
| Finland | 4.0% | 4.2% | 4.4% | 4.6% | 4.8% |

Money Market Rates

| Instrument | 7 Day | 1 Month | 3 Months | 6 Months | 1 Year |
|------------|-------|---------|----------|----------|--------|
| Banker's | 5.4% | 5.4% | 5.4% | 5.4% | 5.4% |
| Call | 5.4% | 5.4% | 5.4% | 5.4% | 5.4% |
| Discount | 5.4% | 5.4% | 5.4% | 5.4% | 5.4% |
| Repo | 5.4% | 5.4% | 5.4% | 5.4% | 5.4% |
| US | 5.4% | 5.4% | 5.4% | 5.4% | 5.4% |

Tourist Rates

| Country | Rate | Country | Rate | Country | Rate |
|-------------|--------|-------------|--------|-------------|--------|
| Australia | 1.5442 | France | 160.70 | Japan | 85.73 |
| Canada | 2.3973 | Germany | 2.3973 | UK | 1.5442 |
| Denmark | 55.450 | Italy | 269.33 | US | 1.5442 |
| ECU | 1.3675 | Netherlands | 10.245 | Sweden | 30.268 |
| France | 160.70 | Portugal | 10.167 | Switzerland | 12.206 |
| Germany | 2.3973 | Spain | 228.21 | Finland | 10.167 |
| Italy | 269.33 | Sweden | 30.268 | Denmark | 55.450 |
| Netherlands | 10.245 | Switzerland | 12.206 | Finland | 10.167 |
| Portugal | 10.167 | Finland | 10.167 | Denmark | 55.450 |
| Spain | 228.21 | Denmark | 55.450 | Finland | 10.167 |
| Sweden | 30.268 | Finland | 10.167 | Denmark | 55.450 |
| Switzerland | 12.206 | Denmark | 55.450 | Finland | 10.167 |
| Finland | 10.167 | Denmark | 55.450 | Finland | 10.167 |

Liffe Financial Futures

| Contract | Settlement | High/Low | Open |
|-------------------|------------|----------|--------|
| Long GB | 100.15 | 100.17 | 100.15 |
| Long US | 100.15 | 100.17 | 100.15 |
| Long Euro | 100.15 | 100.17 | 100.15 |
| Long Japan | 100.15 | 100.17 | 100.15 |
| Long Australia | 100.15 | 100.17 | 100.15 |
| Long Canada | 100.15 | 100.17 | 100.15 |
| Long Hong Kong | 100.15 | 100.17 | 100.15 |
| Long India | 100.15 | 100.17 | 100.15 |
| Long Korea | 100.15 | 100.17 | 100.15 |
| Long Taiwan | 100.15 | 100.17 | 100.15 |
| Long Thailand | 100.15 | 100.17 | 100.15 |
| Long Brazil | 100.15 | 100.17 | 100.15 |
| Long Mexico | 100.15 | 100.17 | 100.15 |
| Long Russia | 100.15 | 100.17 | 100.15 |
| Long South Africa | 100.15 | 100.17 | 100.15 |
| Long New Zealand | 100.15 | 100.17 | 100.15 |
| Long Singapore | 100.15 | 100.17 | 100.15 |
| Long Taiwan | 100.15 | 100.17 | 100.15 |
| Long Thailand | 100.15 | 100.17 | 100.15 |
| Long Brazil | 100.15 | 100.17 | 100.15 |
| Long Mexico | 100.15 | 100.17 | 100.15 |
| Long Russia | 100.15 | 100.17 | 100.15 |
| Long South Africa | 100.15 | 100.17 | 100.15 |
| Long New Zealand | 100.15 | 100.17 | 100.15 |
| Long Singapore | 100.15 | 100.17 | 100.15 |

Liffe FTSE Index Option

| Series | Settlement | High/Low | Open |
|-----------|------------|----------|--------|
| FTSE 100 | 4283 | 4283 | 4283 |
| FTSE 250 | 4283 | 4283 | 4283 |
| FTSE 350 | 4283 | 4283 | 4283 |
| FTSE 450 | 4283 | 4283 | 4283 |
| FTSE 550 | 4283 | 4283 | 4283 |
| FTSE 650 | 4283 | 4283 | 4283 |
| FTSE 750 | 4283 | 4283 | 4283 |
| FTSE 850 | 4283 | 4283 | 4283 |
| FTSE 950 | 4283 | 4283 | 4283 |
| FTSE 1050 | 4283 | 4283 | 4283 |
| FTSE 1150 | 4283 | 4283 | 4283 |
| FTSE 1250 | 4283 | 4283 | 4283 |
| FTSE 1350 | 4283 | 4283 | 4283 |
| FTSE 1450 | 4283 | 4283 | 4283 |
| FTSE 1550 | 4283 | 4283 | 4283 |
| FTSE 1650 | 4283 | 4283 | 4283 |
| FTSE 1750 | 4283 | 4283 | 4283 |
| FTSE 1850 | 4283 | 4283 | 4283 |
| FTSE 1950 | 4283 | 4283 | 4283 |
| FTSE 2050 | 4283 | 4283 | 4283 |
| FTSE 2150 | 4283 | 4283 | 4283 |
| FTSE 2250 | 4283 | 4283 | 4283 |
| FTSE 2350 | 4283 | 4283 | 4283 |
| FTSE 2450 | 4283 | 4283 | 4283 |
| FTSE 2550 | 4283 | 4283 | 4283 |
| FTSE 2650 | 4283 | 4283 | 4283 |
| FTSE 2750 | 4283 | 4283 | 4283 |
| FTSE 2850 | 4283 | 4283 | 4283 |
| FTSE 2950 | 4283 | 4283 | 4283 |
| FTSE 3050 | 4283 | 4283 | 4283 |
| FTSE 3150 | 4283 | 4283 | 4283 |
| FTSE 3250 | 4283 | 4283 | 4283 |
| FTSE 3350 | 4283 | 4283 | 4283 |
| FTSE 3450 | 4283 | 4283 | 4283 |
| FTSE 3550 | 4283 | 4283 | 4283 |
| FTSE 3650 | 4283 | 4283 | 4283</ |

Lambert knack

Nicholas Harling on the rise of the Dortmund Scot, page 26

sport

Head hunter at work

David Llewellyn on the new mover and shaker at Sussex, page 27

Juninho's genius inspiring Boro revival

Football

Juninho believes Middlesbrough can secure Premiership survival and some glory at Wembley by playing the fantasy football that Bryan Robson has spent millions trying to bring to the Riverside.

The 22-year-old Brazilian readily admits that he is again in the sort of form which prompted the Middlesbrough player-manager to pay São Paulo £4.75m for his skills almost 18 months ago.

But after capping a performance of pure brilliance by

scoring his third goal in four games – and 11th of the season – in the 2-1 victory over Blackburn, Juninho insists that team spirit is the cost around £30m is now ready to give the Teesside fans value for money.

"I am now playing as well as I ever did in Brazil, but I think that is because I have found my best position," said Juninho, who has maintained a golden silence and consistent form while his fellow Brazilian Emerson has produced a catalogue of disappearing acts and the £42,000-a-week Italian, Fabrizio Ravanelli, has complained about his situation in the media.

"But it has not just been me. The whole team has been playing well in the last three months and if we keep playing the same way then we have a great chance of staying up," Juninho added. "There was a time when players would be injured or ill and we would play a different formation in every game."

"When things weren't going well we would concede an early goal and it would be very difficult to get a result."

"Now we are defending well and that helps players like me at the other end to concentrate on creating chances and scoring goals."

It's a theme taken up by Boro's assistant manager, Viv Anderson, who saw his team lift themselves off the foot of the table with their third successive Premiership win at the beginning of a five-day stint that also brings Chelsea and Nottingham Forest to the Riverside.

"Juninho has learnt about the game here and the language," Anderson said. "It's all about him getting that experience of England."

"And of course the fact that the players are getting used to him now is another factor. But although Juninho has been playing well, the whole team has

been excellent since Christmas and the only slip up was when we played poorly at Sheffield Wednesday."

"Nigel Pearson has come back from injury and Gianluca Festa has settled in very well and that has given us stability at the back."

Juninho broke Rovers' resistance just before the break with a polished finish following an intricate Boro move and set up Ravanelli for his 26th goal of the season on the hour.

Substitute Chris Sutton halved the arrears with 22 minutes still remaining, but with Juninho in command there

were no late worries for a near-30,000 crowd.

Middlesbrough's relegation fight could be eased even more if the Football Association quashes the three-point penalty imposed for their no-show at Ewood Park in December when illness and injury left Robson with a decimated squad.

The Boro appeal will be heard next Wednesday and, if George Carmen QC wins the case, then the Riverside legends will be able to start enjoying what, despite the struggle in the Premiership, is the club's most successful season in their 121-year history.

Middlesbrough will compete in their first major Wembley final when they meet Leicester in the Coca-Cola Cup on 6 April – and a Wembley double is on the cards with Second Division Chesterfield standing between them and an appearance in the FA Cup final.

Although Juninho is trying hard to concentrate on Boro's Premiership fortunes, he could not help but hold a fleeting thought about a return to the stadium where he helped Brazil destroy England 3-1 with a brilliant free-kick in the summer of 1995.

"I am looking forward to

playing at Wembley again," the Brazilian said with a relish that would have sent a shiver through Leicester, who were victims of his South American skills on Saturday.

"I hope we will win, of course, and if we play like we have been doing then we will have a good chance."

For Blackburn, the only consolation from the game was the return of Sutton, who nudged ahead of Kevin Gallacher as the club's leading scorer with his 12th of the season just 13 minutes after coming off the bench following a four-game absence through injury.

As the Flat racing season got under way yesterday, Britain's oldest horse race took place 40 miles away. Sadly, it ended with the winner's untimely death

Report by Jon Culley

For the majority of the racing world, yesterday marked the start of the Flat season, traditionally launched with the Lincoln meeting at Doncaster. To a small section of the equine community, however, gathered 40 miles away on a hilltop in the Yorkshire woods, it was Derby day.

It was not an occasion likely to have been much discussed in Epsom, even though the Kiplingcotes Derby claims to have stolen the march historically on the midsummer Classic by more than 250 years. A first prize of £50 falls some way short of the riches on offer on the Downs in June, yet competition is no less intense. Sadly, yesterday's winning horse paid the ultimate price, collapsing from a heart attack a few strides past the winning post.

It would have been a glorious finish, but for its tragic aftermath

with Sunny, a nine-year-old mare, finishing a length ahead of Memorable before collapsing under his rider Sheila Ashby. Sunny, again ridden by Ashby, won the race last year. "The race went so easily," Ashby, who runs a trekking centre near Thirsk, said, tearfully. "But her heart has just given out."

Sunny's death completely overshadowed Stephen Crawford's remarkable achievement in coming second on Memorable. The 41-year-old former accountant, whose home at Enthorpe railway station adjoins the course, had not ridden any horse before he bought the six-year-old gelding for £1,000 in January.

He was raising money for Kingston General hospital in Hull, where his wife has been treated for skin cancer. Liz Turner, news editor of the *Holderness Gazette*, was third on five-year-old Indy.

Sunny's death also nullified Ken Holmes' indignation. Holmes, a horse dentist from Selby, found his attempt to repeat his 1995 success on Tulum foiled first by a broken saddle and then by what he considered an illegal start. Holmes, who has ridden in the Kiplingcotes since 1982, has a record eight wins but makes no apology for his competitiveness. "It is a real test for man and beast," he said. "I don't mind being beat fair and square but what happened today rangles a bit."

The race is run over a gru-

elling four-and-a-half miles above Market Weighton on the third Thursday of March. It is said to have been taking place since 1519. This, the organisers say, makes it the oldest horse race in Britain, although the evidence is largely anecdotal.

Like the Epsom contest, which started in 1779, it was instigated at the fancy of nobility, who wanted to measure how well their horses had wintered. Eventually, 49 of them subscribed. Guy Stevenson, one of the present-day trustees, has a yellowing document which shows a £30 dona-

tion from the Earl of Burlington, along with contributions from others ranging from £5 to £20, adding up to £365. It formed an investment handed down through generations of trustees to provide the annual prize.

Nobility are thin on the ground these days, although Lord Manton was, until recently, a trustee. The race is open to all-comers, the only stipulation being that they turn up before 11 o'clock on the morning of the race to weigh in. A set of coal merchant's scales is provided. Each rider pays £4.25

to take part and none must weigh more than 10 stone.

"People participate because it is a local tradition nowadays," said Sue Hillyard, the clerk of the course, who presented a ruddy rural face above a sensible country coat, only to reveal herself as a bank cashier from Hull. "This is just a one-day-a-year thing for me, but the clerk's job has been in my family for four generations and I like to maintain the tradition."

Hillyard sees that no one slips in under weight before reading the rules of conduct to the rid-

ers and despatching them on the half-hour walk to the start. Spectators pay nothing to watch, although there are no facilities.

Yesterday's turnout was conservatively estimated at 200, most of whom stood in groups along the former Roman road off the A163 that forms the fir-

ishing straight, with no apparent regard for safety. There were no barriers. Advice passed by word of mouth was that should three or more runners be upsidings when they appear in the distance then diving through the nearest hedge should be considered.

Racing, page 25



The leading pack approach a hill in the Kiplingcotes Derby yesterday, with Sunny (third from right) near the front

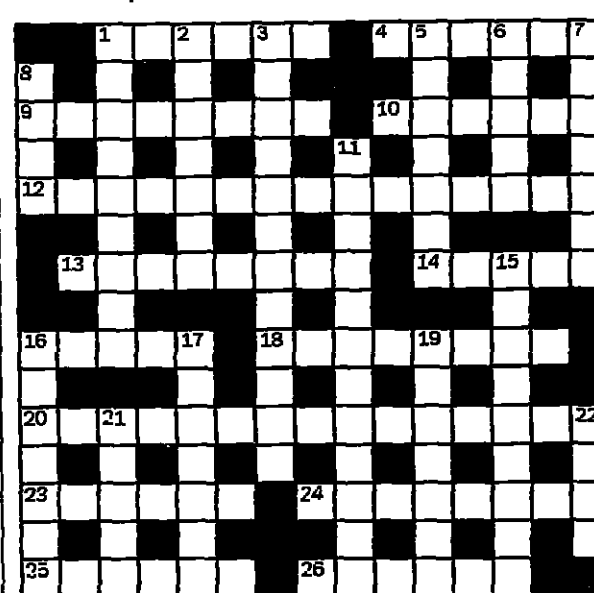
Photograph: David Ashdown

THE INDEPENDENT CROSSWORD

No. 3252, Friday 21 March

By Mase

Thursday's Solution



- ACROSS**
- Splashes about river for fishes (6)
 - Absolute upright Queen (6)
 - Runners in soft shoes (8)
 - Burns spruce, last of logs (6)
 - Seedy cur? Hunt weeder out (5,7)
 - Indulging? Just the opposite, without energy (8)
 - Voiced tribute for security measures? (5)
 - Conditions for getting on in Civil Service (5)
 - Caller's no time to talk in the dark (8)
 - Anti-Freud? (6-9)
 - One reportedly secures living quarters (6)
 - Extension courses in Latin I do (8)
 - Grounds for pardon (6)
 - Gangly family in Southern State (6)
- DOWN**
- Mushroom, round strong climbing plant (9)
 - About to sharpen up stories (7)
 - Exponents of light choral works? (5,7)
 - Strike a blow for rank (7)
 - Before onset of hurricane, whip up shelter (5)
 - Falls back on reserves (7)
 - Colour of piecrust (4)
 - Baton descends, introducing German work (7,5)
 - Hollow study, one against entering EC (9)
 - The Italian's settled in level part of Spain (7)
 - Sir's one for training Sixth Formers? (7)
 - Support us in a spot (7)
 - Note (small amount, we hear, for antique) (5)
 - Fish, one after lots of drink (4)

Fixture proposals raise fears of burn-out

Rugby Union
CHRIS HEWITT

The poor bloody infantry of English rugby will blanch at the prospect, but next season's programme of domestic, cross-border and international competition is the most brutally relentless ever devised. As things stand, the 1997-98 campaign will virtually mirror soccer's model by beginning on 16 August and dragging on until the last week in May.

Those with the well-being of the players, rather than the rude health of club bank accounts, at heart will be aghast. Jack Rowell, the England coach, has already identified fixture congestion as his biggest single problem in preparing the national team for Test matches while Phil de Glanville, his captain, said only a week ago that leading performers were at risk from "burn-out".

Next season's fixture list, including as it does 22 Courage League games, up to 11 Heineken Cup matches, a maximum of five Pilkington Cup ties and eight England international dates with a nice, relaxing summer tour of New Zealand tagged on the end, will drive players to the edge of exhaustion. Test regulars will be in serious dan-

ger of playing twice as much rugby as their counterparts in New Zealand, South Africa and Australia, many of whom get away with 30 games a year or less.

Representatives of the First Division clubs have returned the first draft of the fixture list to the planners with "Think Again" stamped all over it. One senior club official described the programme as "arse backwards", saying: "We have three League games in August and then have to wait until the end of December for the fourth, which is crazy. There is no point in book-booking the whole of September and October for European rugby because it leaves those who are not involved with a vast hole to fill. The European matches should be threaded through the season, as they are in football."

Disagreements over Europe are about to become as fractious in rugby as they are among the Tories. English and French clubs are increasingly concerned at what they describe as a "Celtic agenda" aimed at expanding the Heineken Cup into a season-long European league – a move that would revolutionise domestic competition in Ireland, Scotland and Wales but decimate the much stronger national league structures operating in the two stronger countries. The

debate will come to a head in Dublin on Wednesday when European Rugby Cup Ltd holds a meeting to analyse the plusses and minuses of this season's tournament and considers ways of developing it in the medium and long terms. Peter Wheeler, the Leicester chief executive, has been mandated by the English clubs to take a hard line on future expansion plans.

"We feel the tail is wagging the dog here," one English lobbyist said. "The English and French clubs are the big attractions, yet they find themselves outvoted time and again. Meetings have taken place at various levels between club officials from the two countries and if our domestic league competitions come under threat, the repercussions could be very serious."

At least England, Scotland and Ireland have been spared extra international commitments in the run-up to the 1999 World Cup. Fears that they would have to play off against each other to decide seedings were allayed yesterday when Leo Williams, the competition chairman, announced that all three countries had agreed to draw lots.

Mike Catt, the England outside-half, is fit for this weekend's World Cup Sevens in Hong Kong after testing out a groin injury yesterday.

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